CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

HOUSE OF COMMONS

Thursday, May 21, 1959

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

Third report of sessional committee on railways, air lines and shipping—Mr. Rowe.

INDIAN AFFAIRS—CONCURRENCE IN FIRST REPORT OF JOINT COMMITTEE

Mr. Noel Dorion (Bellechasse) presented the first report of the joint committee on Indian affairs and moved that the report be concurred in.

Motion agreed to on division.

AGRICULTURE

SOYBEANS—ANNOUNCEMENT OF SUPPORT PRICE FOR 1959 CROP

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I wish to announce that the agricultural stabilization board has been authorized to provide a support price for soybeans at $2.00 per bushel for No. 2 grade or better for the 1959 crop. This prescribed price is 87 per cent of the 10-year average price and 10 cents per bushel below the support price provided for the 1958 crop. All of the 1958 crop of soybeans has not yet been marketed, but it is estimated that the average market price will be considerably below $2.00 per bushel and the agricultural stabilization board will therefore be liable for a substantial payment on the 1958 crop.

The United States have reduced their support level by 24 cents per bushel, from $2.09 for the 1958 crop to $1.85 for the 1959 crop, national farm average. The lower United States support price reflects the general market outlook for the coming year. While the support price for the 1959 soybean crop has been reduced by 10 cents per bushel below the 1958 level, it will provide a real measure of assistance and should stabilize returns for this crop at a satisfactory level, particularly when consideration is given to what the growers' position would be if no assistance were provided, in view of the general market outlook for 1959 and the substantial reduction in the United States support price.

Hon. Paul Martin (Essex East): I thank the Minister of Agriculture for so readily acceding to my request of yesterday that he should announce today the government's policy with regard to a floor price on soybeans. I can only hope that other proposals I have made to the Minister of Agriculture will receive as quick attention as I made for a floor price on soybeans. I regret to say, however, that the announcement is one that will not be widely acclaimed by the soybean growers. I am afraid that this 10 per cent reduction in the floor price—

Mr. Harkness: It is not 10 per cent; it is 10 cents.

Mr. Martin (Essex East): Ten cents—of course that is more than 10 per cent.

Mr. Harkness: No, it is less than 5 per cent.

Mr. Martin (Essex East): I should like to say this to my hon. friend. Today, but only for today, his mathematics may be better than mine, but I may say to him that his appreciation of the plight of the farmers obviously is not as good as mine. This reduction represents, I think, as others have indicated in this house, a gradual withdrawal by the government, from its announced policy of supporting certain agricultural products by way of support prices.

Mr. Harkness: It is nothing of the kind.

Mr. Martin (Essex East): My hon. friend says "It is nothing of the kind", but bit by bit, day by day, the government's policy of price supports is being abridged and the farmers are receiving less and less assistance. The minister will recall that when we discussed this matter some time ago—

Some hon. Members: Order.

Mr. Martin (Essex East): —I indicated to him that there had been a cut in the floor price on soybeans in the United States and that I would hope the action taken there would not be the kind of action—

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, on a point of order I raise for Your Honour's consideration the question which has been raised before, namely whether by way of comment upon a statement announcing the government's decision in a certain case hon. gentlemen opposite are allowed to cover the whole field, as the hon. member is doing today.

Some hon. Members: Order.

Some hon. Members: Closure.

Mr. Chevrier: There is no point of order.

Support for Soybean Crop

Mr. Diefenbaker: Hon. gentlemen opposite should be the last ones to talk about closure.

Mr. Speaker: I think the practice is reasonably clear. The comment which is permitted is limited to comment on the subject matter of the statement which was made and does not extend to extraneous matters. Further, this is not a debate. Although opportunity is given for expression of opinion, this is not an occasion for argumentative debate.

Mr. Martin (Essex East): Mr. Speaker, I thank you for supporting the position I have been taking. The Minister of Justice, who regards himself as the custodian of our rules, did not object—

Mr. Speaker: Order. I have dealt with the point of order. I would ask the hon. member to continue with his comment.

Mr. Martin (Essex East): Mr. Speaker, we certainly have the right to comment on the point of order.

Mr. Chevrier: Hear, hear.

Mr. Martin (Essex East): The Minister of Justice raised a point of order and—

Some hon. Members: Sit down.

Mr. Speaker: Order. I thought I had disposed of the point of order, but I did not hear the hon. member on it. If he wishes to say something on it I will certainly hear it.

Mr. Martin (Essex East): Thank you, Mr. Speaker. The Minister of Agriculture referred to the reduction in the floor price in the United States. The Minister of Justice did not criticize or take issue with his colleague's right so to do; and I was commenting on the reduction in the floor price in the United States when my genial friend the Minister of Justice, in his state of war with one of the provinces, suggested that I was out of order.

Mr. Speaker: Order. I noted that at the time the point of order was raised the hon. member was speaking on that matter which had been raised in the statement. That particular part did not seem to me to be objectionable.

Mr. Martin (Essex East): Thank you, Mr. Speaker, for again coming to my assistance. As the Minister of Agriculture said, the United States has reduced its floor price by 24 cents. I indicated some days ago that I hoped that it would not be necessary for Canada to follow the course that had been taken there, because the situation is not comparable.

I thank the minister first of all for so readily answering my question of yesterday, but again I must express on behalf of the soybean growers of Canada—

[Mr. Chevrier.]

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —particularly those in southwestern Ontario, our regret that the government by its policy of attrition is gradually withdrawing from the floor price policy that it announced some time ago to the people of the country.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I do not know why the hon. member for Essex East should be so profuse in his thanks to the Minister of Agriculture for making this announcement.

Mr. Martin (Essex East): I want a better result.

Mr. Argue: My only comment is that if this is to be the result of questions by the hon. member for Essex East in the future, then in the interests of agriculture in this country we hope the hon. member will cease and desist.

I notice that the Minister of Agriculture went to the United States to find an excuse for reducing the price of soybeans in Canada. If this is to be a consistent attitude on the part of the Minister of Agriculture and the government, then of course there should be an immediate deficiency payment on wheat since the price of wheat in the United States is being increased for the present crop year. But as I said in commenting on the last statement of the Minister of Agriculture when announcing another lower support price, it has become a consistent attitude and policy of the government to reduce step by step, in a piecemeal but rather consistent way, the floor prices on agricultural products.

This is a very regrettable announcement, Mr. Speaker. It shows that the government has abandoned any pretence of maintaining floor prices based on the farmers' costs of production. We can only say that we are certain this announcement will result in the same type of adverse comment already made with respect to many previous announcements of the minister during this session.

CROP INSURANCE

PROVISION FOR FEDERAL CONTRIBUTIONS TO PROVINCIAL SCHEMES

Hon. D. S. Harkness (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the payment of contributions and the making of loans by the Minister of Finance out of the consolidated revenue fund, in respect of the operation of provincial schemes for crop insurance.

Motion agreed to.

HOUSING

C.M.H.C.—REPORTED EVICTION NOTICES TO POLYMER CORPORATION WORKERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Public Works based on a telegram I have just received from the Canadian director of the oil, chemical and atomic workers international union, Sarnia, Ontario. Is it a fact that Central Mortgage and Housing Corporation has issued eviction notices to a number of workers involved in the Polymer strike? If so, will the minister ask the president of Central Mortgage and Housing Corporation to reconsider these eviction notices in view of the offer of the union to guarantee the payment of overdue rent following a return to work?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I have had representations on this question from the hon. member for Lambton West, and investigations through Central Mortage and Housing Corporation have already been started. I hope to be able to give the house a more detailed statement tomorrow.

UNEMPLOYMENT INSURANCE

REQUEST FOR MINUTES OF ADVISORY COMMITTEE MEETING ON AUGUST 26, 1958

On the orders of the day:

Mr. Alexis Caron (Hull): May I direct a question to the Minister of Labour. Would the minister table the minutes of the meeting of August 26, 1958 of the unemployment insurance advisory committee?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, as the hon. member for Hull knows, there is a procedure set out in our daily routine proceedings for such questions.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Does the minister not believe that the request made by the hon. member for Hull is reasonable, in view of the fact that the minister himself the other day, when tabling certain other reports, did table the minutes of at least one other meeting of the unemployment insurance advisory committee?

Mr. Starr: Yes, I believe it is a reasonable request, but my suggestion to the effect that there is a routine procedure to be followed is also reasonable.

Inquiries of the Ministry

NATIONAL PARKS

SELF-GOVERNMENT OF TOWNSITES—TENURE OF LEASES

On the orders of the day:

Mr. H. M. Horner (Jasper-Edson): I understand the Minister of Northern Affairs and National Resources has been looking into the possibility of an inquiry into the prospect of self-government for the townsites in national parks, and also into the matter of leases and length of tenure in the national parks. There is a great deal of public interest in this question, and I should like to ask the minister whether anything definite has yet been done in this regard.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): This is a matter of great interest in the western parks. I have had representations from the hon. member for Lethbridge, the hon. member for Bow River and the hon. member for Jasper-Edson. I want to thank the hon. member for having raised this point with the department last fall, and thus we were able to take advantage of it. I have approached the institute of local government at Queen's University, Kingston, and Dr. K. Grant Crawford and his associates will undertake an impartial study, not only in the three towns of Waterton, Banff and Jasper but also in the town of Whitehorse, where the situation is somewhat the same.

NATIONAL DEFENCE

REPORTED ESTABLISHMENT BY U.S. OF AERIAL TOWERS ACROSS CANADA

On the orders of the day:

Hon. Paul Hellyer (Trinity): Yesterday the Minister of National Defence, in reply to a question by the hon. member for Laurier on the establishment in Canada of short range tactical air navigational facilities for the United States, stated that the newspaper reports were inaccurate. I wonder if the minister could tell us in what regard the newspaper reports were inaccurate.

Hon. G. R. Pearkes (Minister of National Defence): I was asked yesterday to comment on a report to the effect that a series of aerial radio towers were being established across Canada. From the way the question was framed I could not connect this with the TACAN agreement which had been tabled just recently. The description of the navigational instruments of TACAN as aerial radio towers is quite inaccurate. It is inaccurate also to suggest that these are being established across Canada, because they are confined to the Atlantic and Pacific areas.

Inquiries of the Ministry

RE-EQUIPPING OF R.C.A.F. SQUADRONS IN EUROPE

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct another question to the Minister of National Defence. Is the minister yet in a position to announce a decision with reference to the re-equipping of the air division in Europe?

Hon. G. R. Pearkes (Minister of National Defence): No, Mr. Speaker.

Mr. Hellyer: I have a supplementary question. Would the minister care to comment on newspaper reports in today's press concerning the possibility of manufacturing in Canada a French plane?

Mr. Pearkes: No, Mr. Speaker. We have looked at this French plane. At the present time there is no comment that I can make as to whether or not it would be manufactured in Canada.

Mr. Hellyer: I have a further supplementary question, Mr. Speaker. Does the minister think that the plane most likely to be manufactured in Canada is a mirage?

Mr. Pearkes: The minister has no thoughts on that matter.

GRAIN

REPORTED DROP IN SHIPMENTS FROM LAKEHEAD

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. I am sorry I have not been able to send him notice, but would the minister comment on the report that shipments of grain, since the opening of navigation this year, have been 33 million bushels, a drop from the 72 million bushels of a year ago? Could he say whether this tremendous drop in shipments is the result of inadequate seaway facilities, insufficient shipping or both, or of a reduction in our export markets?

Hon. Gordon Churchill (Minister of Trade and Commerce): I did not require notice of this question from the hon. member. The 47 Conservative members from the prairie provinces are also interested in this matter and have been talking to me about it in the interval. We are not dependent upon one lone figure to draw our attention to these important facts in Canada.

I make no comment with regard to the shipping and the seaway facilities; that is not my province. The situation with regard to export trade is being maintained. The fact that the shipment of grain from the lakehead is not as great as it was last year has no effect on our export market at the present time because there is sufficient grain in position further east to handle these exports. Our exports of wheat are continuing at a good figure. We still expect to reach the quota that we set earlier in the year.

COAL

NEWFOUNDLAND—INQUIRY AS TO ADEQUATE SUPPLIES FROM CAPE BRETON

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Minister of Mines and Technical Surveys. What steps have been taken by the government to ensure an adequate supply of Cape Breton coal for Newfoundland consumers at prices competitive with United States coal?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I wish to thank the hon. member for Trinity-Conception for having given me notice of his question. In reply I wish to say this. Steps have been taken to ensure an adequate quantity of Nova Scotia coal to Newfoundland during 1959. Early shipments are going forward to the principal dealers, and arrangements have been made with the government of Newfoundland for expedition of scheduled shipments from North Sydney throughout the entire shipping season. The deputy minister of economic development, Mr. Johnson, has a complete list of the tonnages and dates of all proposed shipments.

FISHERIES

NOVA SCOTIA—REPORTED DAMAGE TO GEAR OF SMALL DRAGGERS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Fisheries. I regret that this information just reached me a few minutes ago and I did not have time to send him notice. In view of the reply given by the minister on May 11 to a question by the hon. member for Cape Breton North and Victoria (Mr. Muir) in connection with the loss of trawl gear as the result of dragger operations may I ask this question. Is the minister aware that substantial damage has recently been done to small draggers' gear by the large foreign draggers operating along Cape Breton shore? What action, if any, is being taken by his department to protect trawl gear as well as smaller dragger fishing equipment?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I can say only that there is no evidence of foreign draggers operating within

the three mile limit off Cape Breton. Of course, under the present international law we have no control over foreign trawlers beyond territorial waters. As to small trawlers which are allowed to fish within territorial waters, the situation has been carefully looked into and attempts are being made to rectify the difficulty.

Mr. Robichaud: I have a supplementary question. Is the minister aware of the fact that foreign trawlers are interfering with the operation of small draggers in the area of from three miles to ten miles out?

Mr. MacLean (Queens): No reports to that effect have yet come to my attention. I will look into the matter.

UNITED NATIONS

REFUGEE CONFERENCE—INQUIRY AS TO PARTICIPATION BY CANADA

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether Canada took part in the United Nations refugee conference which has just concluded its sessions in New York. If so, did the Canadian government agree to assist in the solution of this distressing problem?

Right Hon. J. G. Diefenbaker (Prime Minister): Canada supported the resolution at the thirteenth session of the United Nations general assembly last year which set up the world refugee year. Since then, at various international meetings having to do with the problem of refugees, Canada has indicated her support for the principle of the world refugee year.

With respect to the second question, Canada is in the forefront in giving aid to refugee causes and in seeking to find permanent solutions to refugee problems. I think the hon. gentleman will be interested to learn that Canada has increased its contribution this year to the United Nations high commissioner for refugees from $200,000 to $290,000. This contribution will assist the high commissioner in clearing some of the refugee camps which have existed in Europe since the close of the second world war. Canada has pledged a cash contribution of 500,000 to Palestine refugees, as well as a special and additional gift of $1.5 million worth of Canadian wheat flour to help the agency in its difficult task of providing subsistence to the refugees in its care. We have also recently made a contribution of $60,000 to the far eastern program to bring European refugees out of mainland China to countries of overseas settlement.

I think that answer covers, in general, the question the hon. gentleman asked.

SUPPLY

The house in committee of supply, Mr. Rea in the chair.

DEPARTMENT OF LABOUR

General administration—

163. Departmental administration, including grants as detailed in the estimates and the expenses of the international labour conferences, $1,105,745.

Mr. Howard: Mr. Chairman, under this particular vote I take it I am at liberty to direct some questions to the minister with respect to Canadian participation in the international labour organization and to the consideration which Canada gives, or is contemplating giving, to some of the conventions passed by that organization in conference.

There is one convention to which I wish to make particular reference; it is one which I understand Canada has not yet ratified. I took occasion to speak to the minister on the telephone about this, and though I realize that it was only a short while before the house was to sit this afternoon, and that the minister might not yet have this information available, I should like to direct a question to him with regard to it in any event.

My question relates to I.L.O. convention No. 87, adopted in 1948. It is a convention concerning freedom of association and the protection of the right to organize, and one of the articles of that convention, article 15, points out that the director general may indicate which nations have ratified this particular convention. I wonder if the minister has any information at hand as to which nations who are parties to the I.L.O. have ratified this particular convention No. 87.

Mr. Starr: Yes, Mr. Chairman, 35 countries have ratified this convention. Unless the hon. member wishes me to read the names, I can supply him with a list of those countries at any time.

Mr. Howard: Could the minister indicate whether any of the larger and more prominent nations, such as the United Kingdom and the United States, are in that list?

Mr. Starr: Yes; the United Kingdom, the U.S.S.R., Norway, the Republic of Germany, Belgium and Austria are among the 35 nations listed here.

Mr. Howard: I should like to make one or two comments with respect to what I think should be the action taken by Canada with respect to this particular convention, and though I shall address my remarks to convention No. 87 I should not be taken as

indicating that Canada should not endorse other conventions of the I.L.O. I think Canada should, before now, have taken the steps necessary for the endorsement of this convention; and if consultation with the provinces is involved, as I think it may be, I suggest we should already have entered into such discussions.

There are two or three articles in this convention which relate to the guaranteeing of certain rights and freedoms to both employers' and employees' organizations with respect to the right to organize, and I feel sure that if Canada had taken steps earlier than, at least, January of this year toward the ratification of this particular convention we might have avoided the unfortunate situation which arose in the province of Newfoundland recently involving the decertification of two unions in that province.

I will point out, if I may, that article 4 of this convention, had it been enforced, would have dealt with, or covered, the particular events which occurred in Newfoundland, because it provides that organizations of workers and employers shall not be liable to be dissolved or suspended by administrative authority. Another article mentions that public authorities shall refrain from any interference which would restrict the lawful exercise of the right to organize. Article 11 of the convention provides that each member to which the convention applies undertakes to take all necessary and appropriate measures to ensure that workers and employers may exercise fully the right to organize. This is the general tenor of the drafting of this particular convention.

I think each of those articles to which I have referred has been abrogated in one of the provinces of Canada, notably the province of Newfoundland, where public authorities and administrative authorities have taken steps contrary to the provisions of this I.L.O. convention, even though it is not in force in Canada, by dissolving and suspending certain unions and impeding the lawful right to organize in that province. Failure to ratify this convention reflects not only on the present government but also, in an even larger measure, upon the government which preceded it, because it will be recalled that the Liberal government was in office continually from the time the I.L.O. passed this convention in 1948 until the general election of 1957. That was nine years during which that government had the opportunity, had it so desired, to take steps toward the ratification of this convention which would in large measure have prevented the disgraceful situation which developed in Newfoundland in so far as the lawful right of unions to organize and establish themselves in that province is concerned.

Some time ago on orders of the day I asked the minister whether Canada had ratified this convention and, if not, would he give consideration to the idea. I took it from his remarks that consideration would be accorded to the question, and I wonder if the minister could now indicate what steps he has taken to that end.

Mr. Starr: Mr. Chairman, upon delving into this convention with a view to seeing whether it could be ratified, the information I have, based on good evidence, is that the subject matter of the convention is almost wholly within the jurisdiction of the provinces. Only to a minor degree is it within the jurisdiction of this parliament. For that reason two other countries of which we are aware, the United States and Australia, have not ratified this convention.

Mr. Howard: This may be a general query I am posing. Can steps not be taken to have the parliament of Canada deal with conventions of a similar nature where federal and provincial jurisdiction are involved?

Mr. Starr: We cannot take up the question of ratification of conventions where the subject matter comes almost wholly within the jurisdiction of the provinces. We would be going entirely out of our field of jurisdiction and contrary to the laws established by the provinces, where they exist.

Mr. Howard: Is it because of the jurisdiction of the provinces and existing provincial legislation that we are prevented from dealing with these conventions?

Mr. Starr: I would say that is correct, if I apprehended the hon. member correctly.

Mr. Howard: Would the minister not think that a question of forced labour within a province would alter the situation?

Mr. Starr: That subject is entirely foreign to our way of life and to conditions in Canada. We have no such thing as forced labour in this country, and consequently no statutes dealing with that subject are on the books of the legislatures.

Mr. Howard: Let me pose another question. Suppose one province undertook to establish a system of forced labour contrary to the provisions of the I.L.O. convention we reviewed the other day. What position would Canada be in with respect to dealing with that province?

Mr. Starr: We would consider the situation on its merits at that time.

Mr. Argue: And that is all you would do.

Mr. Howard: The minister cannot have it both ways. He cannot say in one case that it is all right to invade the jurisdiction of the provinces because it involves something that has not happened so far in Canada, and when it comes to a question that has not arisen in Canada until recently, when it arose in one province, take the opposite view. We have to be consistent.

Mr. Starr: Mr. Chairman, this is an entirely different convention from any others that come within provincial jurisdiction. In my opinion we have not in this case violated the jurisdiction of any province. There is no legislation to that effect, nor do I expect there ever will be.

Mr. Howard: Until two months ago no one in this country expected that a province or the federal government would take the kind of action that was taken in Newfoundland, where political interference in the right to organize a labour union occurred.

The Chairman: Order. I regret to interrupt the hon. member, but I must remind him that we are discussing the estimates of the Department of Labour, and it is quite out of order to discuss a hypothetical situation that may arise in a province and speculate about what course of conduct the federal government would follow in such a case. Furthermore I believe the discussion being carried on relates to federal-provincial relations, which do not come within the purview or scope of these estimates. I must point out to the hon. gentleman that he was quite out of order in his latter remarks and it would be appreciated by the Chair if we could confine the debate to the item under discussion.

Mr. Argue: Mr. Chairman, speaking to the point of order you have raised, surely it is a long-standing practice in this committee that on the first item of any department, which is the administration item, a great deal of latitude is allowed hon. members of the committee to discuss general matters coming under that department. Surely the question of Canada's action or lack of action with respect to an international convention is an appropriate subject for discussion under this item.

As far as reference to something that has happened in the provinces is concerned, I would suggest that is only a matter of opinion anyway, and I feel therefore it is entirely within the right of any hon. member to discuss labour matters within the provinces.

With respect to a discussion of specific actions in Newfoundland, there are many precedents in the records of this committee which support the view that it is within the right of hon. members to discuss certain laws that have been passed in the provinces, provided an hon. member does not seek to discuss any question of disallowance which is under consideration by the cabinet. The hon. member for Skeena made no reference to the question of disallowance, and in my submission was discussing in a proper manner the general field of labour under item 1 of these estimates.

The Chairman: I think the hon. member for Assiniboia has failed to interpret my remarks correctly. It is quite true that on item 1 of the estimates of any department a certain latitude is permitted by the Chair concerning the matters to be discussed under the particular department involved, but this latitude does not extend into every field. The rules of relevancy must be strictly applied.

At the present moment we are discussing the estimates of the Department of Labour. As long as hon. members confine their remarks to the estimates of the Department of Labour they will be in order, but when they embark on a discussion of federal-provincial relations or what course of conduct the government might follow in a hypothetical situation, the Chair will call such remarks out of order. As long as I am in the chair I shall enforce strictly the rules of relevancy, and this will apply to all hon. members of the committee.

Mr. Howard: Mr. Chairman, in accordance with your ruling I shall confine my remarks to this particular item. I think I would be in order in this instance—and I ask your guidance if I am not—in discussing the parliament of Canada, the nation of Canada, the government of Canada, and its participation in international labour organization conferences. As I understand it, we are sending delegates to this conference. I understand the minister will be one of the participants in the I.L.O. conference this year, and that from time to time various conferences of the I.L.O. do endorse conventions. It is then up to the member nations, in this case Canada, to determine whether it desires to ratify any particular convention.

We were discussing that phase of it, and I queried the minister as to why Canada had not as yet ratified one particular convention, namely I.L.O. convention No. 87. The minister indicated that this was because jurisdiction over labour matters was divided between the provinces and the federal government. I hoped we might be able to develop that particular theme because of the divided jurisdiction of the parliament of

Canada and the legislatures of the various provinces, in so far as Canada's attitude is concerned.

With respect to the convention we ratified the other day regarding forced labour, or the abolition of forced labour, I would ask the minister whether it is a fact that because the Canadian parliament gave ratification to the abolition of forced labour convention the provinces are bound in so far as their jurisdiction is concerned? Does the fact that the federal parliament ratified a particular convention which cuts across the jurisdiction of the provinces in effect bind those provinces to that convention? What is going to happen if some action is taken?

The only answer I have received from the minister so far is that we shall cross that bridge when we come to it. I submit the minister should have crossed that bridge before, and should have had at least the common decency and courtesy to discuss it with the provinces, because he himself admitted that they do have jurisdiction in this matter. He should have discussed with them their opinions and their attitudes with respect to the abolition of forced labour.

I am quite sure he would have had no difficulty. I am quite sure there is not a province in Canada, Newfoundland included, that would have objected to the abolition of forced labour. The minister should have had the courtesy to do that. He did not. He has not yet said why he did not, but he does say it cuts across the jurisdiction of the provincial authorities and, in fact, invades their jurisdiction. It is either that, or it does not apply to them at all. It applies only to that section of labour, as it is classified, which comes under the jurisdiction of the parliament of Canada.

I wonder whether the minister can clarify this particular point, whether or not the ratification which the house gave the other day to the abolition of forced labour convention binds the provinces of this country to follow the same approach and not take any steps to promote forced labour but to continue its abolition.

The Chairman: Shall the resolution carry?

Mr. Martin (Essex East): I should like to ask the minister a question. I saw an announcement the other day of the personnel of the employers' delegation to the next international labour conference, but I did not see at the time and I have not seen since anything with respect to whether or not the labour representatives had been announced, through either the minister or the Acting Secretary of State for External Affairs. Can the minister say anything about this? Perhaps he could give us at the same time, if he is in a position to do so, the delegation as a whole.

Mr. Starr: Mr. Chairman, there are six employee delegates, six employer delegates and an equal number of government delegates, making 18 altogether. The government delegates are supplemented by two more who are operating in Europe at the present time. I am sorry that the officials have not the names of the employee delegates, but they have been designated and I understand they have left for the conference. I can procure their names for the hon. member.

Mr. Martin (Essex East): We should know at some time or other who are going to comprise the delegation.

Mr. Starr: They have left now. We have not the names handy at the moment, but we can supply them.

Mr. Caron: On the orders of the day I asked the minister whether he could table the minutes of a meeting of the unemployment insurance advisory committee. The minister answered me at the time and said there was a procedure set out in our daily routine proceedings for such questions. Well, the reason we had no time to place it on the order paper as a motion is that the industrial relations committee is sitting at the present time, and we are in need of all the information available to be in a position to discuss the matter which has been sent to that committee. Since we are sitting at six o'clock this evening we need the minutes at that time. I think it would be an easy matter for the minister to supply the minutes of the meeting of August 26, 1958. There is a lot of material in those minutes which would help the industrial relations committee to understand a little better the bills which have been sent to it.

As a matter of fact we have had a new report from the Department of Labour, bureau of statistics, indicating the number of unemployed in the country at the present time. We see and we rejoice in the fact that there was a reduction of 77,000 in the month of April as compared with last year. I think everybody in Canada will rejoice at that reduction. We know that 7.3 per cent of the labour force are still on the unemployed list, or were in the month of April. This is a very high figure, which must give us concern about the possibility of there being a very high rate of unemployment in Canada next winter.

This is one reason we would like the minister to bring before the house some legislation which will help not only to reduce slightly the number of unemployed, but also help those who will be receiving nothing.

The number varied from 445,000 to 550,000 last January. A great many of these people will not have received any stamps and therefore will not be receiving any benefits under the Unemployment Insurance Act. Something must be done in this matter before next winter. I take advantage of this opportunity to ask the minister whether the time has not come when we should know what the government intends to do.

We know that unemployment is going to be severe next winter. We know something will have to be done. We know the municipalities will have to carry a very heavy load. Knowing all these things, we expect the government to be ready to present some kind of legislation to alleviate all the difficulties that will be created by this situation. Now that the minister is free I will come back to my question. Will the minister be kind enough to table this afternoon the minutes of the meeting of August 26, 1958, of the unemployment insurance advisory committee? Is the minister ready to answer?

Mr. Starr: Mr. Chairman, I advised the hon. member on the orders of the day as to the procedure to be followed in order to secure the production of any papers. There is provision for that under routine proceedings and orders of the day.

Mr. Caron: Yes, Mr. Chairman, that is what the minister said, but if he had listened to me a while ago he would have known—

Mr. Starr: I heard the hon. member repeat it twice, and what I said on the orders of the day still goes.

Mr. Caron: The minister does not seem to appreciate the importance of these documents to those members who are working on the industrial relations committee. We have to sit morning and night, all the time, to try to finish the work we have to do. The only thing we are asking from the minister now is a little co-operation. If the document can be produced in a day or two by placing a motion on the order paper, it is just as easy to table it now because these reports are in the hands of the minister at the present time. The only thing we are asking is that the minister not be so fussy about the rules and regulations of the house and give us this document which we need.

Mr. Starr: The hon. member referred to reports. I filed the reports.

Mr. Caron: I am talking about the minutes of the meeting which was held on August 26, 1958.

Mr. Starr: There was no meeting held on August 26.

Mr. Caron: All right; the minister wants to be fussy about dates. He knows perfectly well what I mean. It was the last meeting held in August, 1956—I mean 1958; the minister will rise again and say that it was not 1956. We want a little bit of understanding from the minister. Up to this year we have been able to get some co-operation, but this year he seems to be completely unwilling to co-operate with the opposition. We need this document badly, and the only thing we want is for the minister to extend a little bit of co-operation.

Some members to my left are talking. If they want to rise and make speeches I will be very pleased to listen to them; otherwise, Mr. Chairman, please ask them to be quiet. If they want to speak loudly enough so I can hear them I may be able to answer them. Will the minister agree to co-operate with the members of the industrial committee—the industrial relations committee? I had better be careful not to change the words.

Mr. Martin (Essex East): I think the hon. member for Hull has asked a fair question. I believe the minister, who is a fair-minded man, will accede to this request. He will remember that when we were discussing the unemployment insurance amendments the other night he tabled of his own volition certain reports that had been prepared by the advisory committee under the former administration.

Mr. Grafftey: Are you sure he did it of his own volition?

Mr. Martin (Essex East): I should like to know what my profound, experienced and hon. friend has in mind.

Mr. Grafftey: I merely asked the hon. member if he is sure the minister did it of his own volition.

Mr. Martin (Essex East): Yes, the Minister of Labour did it of his own volition. There was one report he tabled after I had asked about its existence, but the other reports I am referring to were tabled by the minister voluntarily without any suggestion from this side of the house. After he tabled those reports I had the opportunity of examining them, and I found attached the minutes of at least one meeting. The dates of the meeting in question are confusing because at the top of the report it says "Ottawa, August 26, 1958" and later on in the body of the report it refers to a series of committee meetings that were convened on August 19. It is with regard to the minutes of these meetings that the member for Hull has asked the minister. The basis for the request by the hon. member for Hull is that this morning in the industrial relations committee—

Mr. Pallett: On a point of order, Mr. Chairman, the hon. member who is on his feet at the present time is an experienced member of the house, and he knows there can be no reference in the house to proceedings that take place in a committee until the report of the committee is before the house. I just wanted to draw that to his attention, because it appeared that his remarks were tending in a direction in which perhaps he did not realize he was going.

Mr. Martin (Essex East): I know of no such rule which precludes a member, having been denied in the committee—

Mr. Pallett: Mr. Chairman, on the point of order—

Mr. Martin (Essex East): Let me finish my reply.

Mr. Pallett: —if the hon. member knows of no such rule I would refer him and you, Mr. Chairman, to Beauchesne's *Parliamentary Rules and Forms*, fourth edition, page 251, citation 324, which reads as follows:

(1) Until the report and evidence have been laid upon the table, it is irregular to refer to them in debate, or to put questions in reference to the proceedings of the committee.

(2) When the evidence is before the house it may be debated at length, but members will not be permitted to discuss the conduct or language of members of the committee, except so far as it appears on the record.

(3) If a document has been formally laid before a committee of the house, and entered upon its minutes, it is in the possession of the house, and it is a breach of privilege for any person or department to withhold it.

Mr. Martin (Essex East): What citation is that?

Mr. Pallett: It is citation 324, page 251.

Mr. Martin (Essex East): Mr. Chairman, I am not going to argue the point. On reflection I think there is some merit, but only some, in the observations of my hon. friend. But having suggested what I have in my mind by merely a few words at the beginning of a new sentence, I am sure the Minister of Labour knows perfectly well what the situation is. The minister has said that he is prepared to give consideration to the request if it is made by way of a motion for the production of papers. If my hon. friend insists on relying on that procedure nothing can be done about it, but I would point out to him that it would be of great assistance while we are engaged otherwise outside of this house—

Mr. Pickersgill: Or even in this committee.

Mr. Martin (Essex East): Then I will say "outside of this particular chamber" in an effort to satisfy my colleague the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: I think the hon. gentleman did not understand my point. I was suggesting that it would be a great help right here in this committee.

Mr. Martin (Essex East): As usual the hon. member for Bonavista-Twillingate is right. It would also help us in this committee. The Minister of Labour has these minutes readily available, and can produce and table them today so they can be used by this committee, or he can go through the other procedure which will involve some delay. I am sure that his winning ways would be helpful if he would only give some recognition to the reasonable request so mildly put forward by my colleague the hon. member for Hull.

Mr. Peters: Mr. Chairman, I should like to echo this request, because submissions by a number of organizations concerning the meetings covered by these minutes have come to our attention. Because other organizations have made reference to meetings that were held, and specific dates and resolutions, I think these minutes should be produced. I feel that a great deal could be gained by the production of these minutes now rather than going through the long and tortuous method that would have to be followed to obtain the information contained in them from the people who took part in these meetings. The minutes themselves would give us the information we desire more expeditiously and with a great deal less heat than is going to be generated if these facts have to be ascertained from the people who took part in the meetings.

A great many of these people are now sending us briefs, and whether or not they know all the answers they certainly know what was said at these meetings. They know what is in the minutes of these meetings. I think a great deal of hardship is being imposed upon the members of this committee by the failure to produce these minutes. It seems that everyone except the members of parliament knows exactly what is in them. I do not believe it is going to be any more advantageous to us to have to ask a number of outside people what the minutes contain, and I think the Minister of Labour will expedite the business of the committee by producing these minutes.

It is probably quite true that the minutes do not have to be produced. However, I believe that on previous occasions the minister has done things he was not compelled to do; he has been very lenient in connection with other matters. This is a case in which

less heat is going to be generated and a lot less difficulty created in a number of rooms in this House of Commons if these minutes are produced in this fashion, rather than forcing hon. members to reconstruct what took place at these meetings by interviewing the people who took part in them.

I think the minister should give some consideration to this procedure, unless there is something specific in those minutes which the government does not want published. The minutes could be presented, and this would expedite the consideration of the estimates of the minister's department.

(Translation):

Mr. Caron: Mr. Chairman, I want to revert to that question, but in French this time, because I am more at ease in French. We submit this is a question of paramount importance and, if the Minister of Labour (Mr. Starr) was willing to co-operate a bit, the debate would be much shorter. In fact I am convinced that even in some committees the debates would also be shortened if there was willingness to give opposition members the co-operation which is required at times. However, I realize that the present position of the minister seems to be a by-product of the government's definite policy of unwillingness to provide the opposition with the material they need to perform their assigned task. By the same token, the people of Canada are being denied information they are entitled to have. And why are they being so denied? Merely for the pleasure of thwarting those who are in the minority.

As was mentioned by the previous speaker, representatives of various organizations seem to be aware of all that went on at the sittings of that committee. Moreover, they seem to be informed of all the minutes which were passed; the members of this house are the only ones who are not, and they cannot obtain the facts. To that effect, the Minister of Labour suggests we should place on the order paper a notice of motion for the production of papers. Well, Mr. Chairman, it is precisely because we cannot do it for lack of time, and because we need this information immediately, that we are making our request. It is not for the mere pleasure of filibustering, since I believe that at the present time any filibustering is being instigated by the government, more particularly so by the Minister of Labour.

We want to obtain this information so as to get a better grasp of the facts, and to discuss intelligently the subject matters which are deferred to the industrial relations committee. Whenever that matter comes up, at meetings of the committee on industrial relations or anywhere else, the answer is always the same: the Speaker of the house has ruled such and such, and even then the actual ruling is not reported, so that on the basis of misconstrued rulings, we are again denied access to necessary material.

(Text):

Mr. Pallett: The hon. member is again directing his thoughts, as was the hon. member for Essex East, to matters that are not—

Mr. Caron: Mr. Chairman, I was not speaking of the committee. I said that in certain committees the members are refused the material they need. I was not referring to one committee in particular, and this I have a right to do because I am not discussing matters which are being considered by one committee. I think it is the policy of the government—

Mr. Pallett: I assume, then, from what the hon. member is saying that he is not making reference to any matters that are before any of the committees that are sitting now or which have been sitting in the last few days?

Mr. Caron: I was speaking of a general attitude on the part of government members in the house and in the committees.

The Chairman: Order. First of all I must apologize for interrupting the hon. member, but I believe that as chairman I should make a few remarks at this stage on this particular item. Requests have been repeatedly made, and the reasons for those requests set forth during the last half hour, for the tabling of the minutes of a certain meeting which took place on August 26, 1958, I believe. The Minister of Labour has made a suggestion that a motion be put before the house in the normal fashion for the tabling of these papers. Hon. members have sought to expedite matters by requesting that the minutes be tabled immediately.

I must in all sincerity confess that you have put your chairman in a dilemma at this time. On the one hand I must advise hon. members on my left that a repetition of the same argument for the tabling of these minutes does not conform with standing order 34 (2), which deals with repetition. On the other hand the minister has made a suggestion concerning the tabling of these minutes. If the Minister of Labour persists in his decision, and if hon. members opposite persist in repeating the same arguments, I shall have to ask the committee to pass on to another item. It would be appreciated if an answer could be given to these requests, and it would certainly facilitate the task of the chairman.

Mr. Martin (Essex East): Before the Minister of Labour replies, perhaps I could offer an argument that is clearly within the rules at this time.

Mr. Bell (Saint John-Albert): How would you know?

Mr. Martin (Essex East): My hon. friend says "How would you know?" I suppose I would know for reasons that would be different from those which the hon. gentleman would entertain on the same point.

Mr. Bell (Saint John-Albert): You have been wrong three times on the rules this afternoon so far, but I will concede that you admitted that you were wrong.

The Chairman: Order.

Mr. Martin (Essex East): Oh, the hon. member for Saint John-Albert, when he is caught, is usually generous. He is caught now, and he acknowledges that the fault is not all one-sided. What I rose to say, Mr. Chairman, was that if my friend the hon. member for—what is the name of that riding in which all these people are out of work?

Mr. Pallett: You are referring to the banner county of Peel?

Mr. Martin (Essex East): Yes; the riding of Peel, which has the Avro plant. I knew that something struck me forcefully when I looked at my hon. friend. What I was going to say was that if he was in order, as I think he was, in calling my attention to citation 324 a moment ago, I am sure he will agree with the argument I am now going to make. We will be dealing later on in the estimates with item No. 172, which has to do with the unemployment insurance commission and also with (S) under that number which has to do with the government's contribution to the unemployment insurance fund.

I was not fully appreciative of the observation made by my friend the hon. member for Bonavista-Twillingate a few moments ago, when he said "It will be useful before this committee". I am grateful to him for mentioning this point. The minutes asked for by the hon. member for Hull will be of concern and interest to this committee when it comes to deal with these items. I would ask the Minister of Labour if he does not think he would facilitate the passage of his estimates if he acceded to a request which he is prepared to fulfil in a few days.

We have a right to ask for this information. It is germane to the discussion under item No. 172. I put the request to the minister again and ask him to table these minutes. If the minister refuses one will be obliged to draw the conclusion that the minister, for some reason or another, does not wish to have disclosed to this committee and to the country the nature of those minutes.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Mr. Martin (Essex East): No, Mr. Chairman.

(Translation):

Mr. Caron: Mr. Chairman, I shall put my question in a different way, in keeping with section 34 of the standing orders. Since the minister seems reluctant to table the minutes concerned unless we introduce a special motion to that effect, I would ask him to consider sending the report of the minutes concerned to the chairman of the committee on industrial relations, so that we can refer to them when needed.

Would the minister agree to that request?

Does the minister's silence imply refusal?

(Text):

Mr. Pallett: This is an improper request.

Mr. Caron: I have a right to know whether or not the minister wants to do it. That is the right of any hon. member. I am asking the minister whether his silence is a refusal to produce these minutes.

Mr. Starr: Mr. Chairman, I do not know how many times the hon. member needs to be told of the procedure to follow in this respect.

Mr. Caron: I am asking another question. Is it or is it not a refusal? Am I to get a straight answer? I am asking that straight question.

The Chairman: Order. It is rather against the rules for the minister to answer this question. I cannot demand that the minister answer the latter question of the hon. member for Hull. The minister suggested that the regular procedure be followed in this instance. I do not believe I can permit the hon. member for Hull to demand of the Minister of Labour that he answer the last question he asked.

Mr. Caron: I will not continue on this subject, Mr. Chairman. I will just accept as a refusal the silence of the minister.

The Chairman: Shall vote 163 carry?

Mr. Pearson: No, Mr. Chairman. The other day when we were discussing this item the suggestion was made—and I think it was not unreasonable—that in view of the employment situation at the present time perhaps this item, after we have concluded our discussion of it now, might be permitted to stand so that at the end of the session it could be brought forward again in the light of the unemployment or employment situation at that time and we could, under this item, hear from the minister what steps, if any, the government have taken in the

meantime to deal with this situation. I am thinking particularly of the plans for winter work which, as the minister I believe himself agreed the other day, should be put into train at the earliest possible moment.

I am speaking now from recollection but I think I am right, and the minister may be able to correct me if I am wrong. I believe a request of this kind was made at least once in the past, namely that the item, without prejudice, should be allowed to stand after the discussion had been completed, for the purpose I have indicated; I think I am right in saying that the request was accepted at that time by the previous administration.

The reason I make this request is that the figures which have been recently released—I think they were released yesterday—show an encouraging improvement in the employment picture. From that improvement no doubt the government can take a special satisfaction, but we all rejoice in it. Nevertheless, in spite of that improvement, there are still some 445,000 unemployed on the basis of the bureau of statistics estimates—perhaps that is not the exact figure, but I think it is something like that—or something over 700,000 on the basis of the other calculation. That remains, of course, a serious situation; and justifies the request we are making, namely that when its consideration at this time is concluded—and perhaps it is not concluded yet—this item should be permitted to stand so that at the end of the session it can be brought forward again. Then we can have a look at the employment situation at that time and get from the government before this session of parliament ends a statement of its plans for winter works programs or anything else it may have in mind which will bring about an improvement in the situation. We recognize it is improving but a great deal more improvement is required before we on this side of the house can be satisfied with the picture in this country.

Mr. Starr: In reply to the Leader of the Opposition, Mr. Chairman, I must say at once, as I said last week when my estimates were before the committee, that I cannot accede to that request. These are the estimates of the Department of Labour. The responsibility for action on unemployment in this country is that of the government. The government will have to decide what action it will take and the appropriate time for that action.

The figures that have been quoted by the hon. member are a month old. Since then there has been a further improvement. Hence the situation is not as dark as he tries to paint it at this moment. It is much brighter, and we hope it will continue to become brighter still. But the responsibility for action in this matter is still with the government. When the government feels that it is the appropriate time to assess the situation, it will do so and will reveal its plans.

Mr. Winch: I should like to ask the minister: when is an appropriate time? The hon. gentleman has just stated that the figures quoted by my hon. friend on my left are a year old—

Mr. Starr: A month old.

Mr. Winch: I am sorry. A month old. I was in Vancouver only two days ago, and two days ago in Vancouver, because no action has been taken by the Minister of Labour or by the government in response to repeated requests from this side of the house for action which would extend the period of seasonal benefits, between 7,000 and 8,000 men were cut off unemployment insurance. That is according to the figures given by the Vancouver *Sun* and the Vancouver *Province* when I was in Vancouver at that time.

What are those men supposed to do? When is an appropriate time to take care of those 7,000-8,000 men who were cut off from benefits two days ago because no action had been taken to continue the payment of unemployment insurance? As nearly as I could point out—and I was only able to spend two or three hours in Vancouver—the answer they were given was: apply for social welfare. That was the answer the government gave in Vancouver two days ago. When is the appropriate time for action by this government—afterwards or before? I would appreciate an answer. I asked this question about a month ago, and so did others on this side of the house. What are these men supposed to do? Starve to death? Apparently they are.

Mr. Starr: In answer to the hon. member I want to remind him again that this government extended seasonal benefits for two months.

Mr. Winch: I admit that.

Mr. Starr: This government also extended seasonal benefits by an additional six weeks last year.

Mr. Winch: I admit that, too.

Mr. Starr: Because of this situation, the fund has been depleted to such an extent that we must now consider increasing the contribution rates on the advice of the actuary. We are now being criticized in this house for depleting the fund, and we did it in order to help people such as the hon. member has described.

Mr. Winch: What about the position of these people two days ago?

Mr. Starr: You are criticizing us for what we did last year.

Mr. Martin (Essex East): The last statement by the Minister of Labour was most unusual. He is saying that because of the fact that the government has provided supplementary payments the fund has been depleted. He might have added that it has been seriously imperilled, as we now know, because of the fact that it has now been reduced to $496 million. But if the fund has been imperilled, that is only one of the contributing reasons and it is not even the major reason. The major reason for the depletion of the fund is that we have had in the last two years the highest level of unemployment we have experienced in the history of Canada except for the years 1930 and 1935. That is the reason why the fund has been so seriously depleted. The hon. minister takes satisfaction because, he alleges, the unemployment figures at the present time are even less than was reported on May 20. That is a situation which will be welcomed by everyone in this country.

But the figures now before us show a serious and continuing problem of unemployment—445,000 persons without jobs and seeking work. That represents a decrease of 80,000 compared with the previous month, but 445,000 out of work is nevertheless a serious figure. The minister says he can show that the number has been considerably reduced since those figures were issued. I would be interested in knowing what is the revised figure. It should not be forgotten that the reported statistics as contained in this monthly release do not cover all the workers of the country and that in addition to the 445,000 must be added at least another 60,000 who are not included in the standard of measurement used by the bureau of statistics in the compilation it presents monthly. The minister can correct me if I am wrong in this assumption.

In any event, there is a serious problem of unemployment still confronting us, and the request made by the Leader of the Opposition and repeated on Friday last by other hon. members of this house was founded upon the desire to elicit from this government its plans for dealing with this hard core of unemployment which, according to every indication, is likely to continue into the fall of 1959 and into the winter of 1960 at levels we hope not at all comparable with what we have experienced during the past two years.

The request of the Leader of the Opposition is, surely, not an unfair one. The minister replies by saying that it is the responsibility of the government to announce policy, and that the government will announce its policy when it feels it is the proper time to do so. I say this to the Minister of Labour: if it is the responsibility of government to formulate policy, as undoubtedly it is, then it is also the responsibility of the government to recognize the duty which it owes to parliament, and parliament is asking now, through some of its members, for a declaration of policy for the ensuing months.

We do not want to be confronted next winter with a situation such as attended us this winter, namely finding that the government had embarked on an employment program in the late fall too late to give that program an opportunity for providing work for a much greater number of people than the 33,000 or 35,000 persons provided for under the government's winter works program. That program, in its results, did not touch the problem of unemployment, and in making this request to the minister we are, in fact, asking the government to let this first item stand so that we shall not be caught by a situation at the end of the session which would not offer us the same instrument for calling the attention of the government, if the situation should warrant it, to the fact that it has not brought forward at this early period a program designed to take care of the unemployment situation which may exist in the fall, or in the winter of 1960.

If the government has a program for next fall or next winter, can that program not be announced now? If the minister would tell us what that program is, this item will go through very speedily. If the minister would rise and say that the government has not decided on what kind of program, if any, it is going to present to parliament to take care of the situation next fall and next winter, then that at least would be a reply, and the opposition would have to consider the course it should follow. But the minister does not give us any indication whether or not this winter works program is to continue.

Surely, he sees himself that some announcement is desirable. I know he does. I regret he should find himself in his present position because, as I said the other day, if he had direction of this matter there is no doubt what he would do: he would come forward now with a program. But obviously his colleagues are not agreed on this subject, and he must therefore take responsibility for the failure of the government to tell parliament and the nation at this time what its program is to be.

Let no one minimize the seriousness of this problem. The unemployment figures as revealed yesterday represent 7.3 per cent of the labour force as is stated in the release which bears the imprimatur of the minister. That figure compared with 5.3 per cent of the labour force out of work in the United States and with less than 3 per cent in the United Kingdom indicates how serious our problem continues to be. We asked last June, July and August what we are now asking the minister today, to state the government's policy so we could anticipate along with it the kind of situation which we feared would eventuate. We are now saying to the minister that on May 21, the indices indicate that we will have a serious problem of unemployment next fall and next winter. We hope it will not be as severe as during the two previous corresponding periods, but it is going to be a problem of some seriousness. Will the government not now announce its policy, giving the municipalities sufficient advance notice so they can prepare their budgets? Will the government not now, through the Minister of Labour, also indicate whether the program will be extended so as to include such factors as supplies and thereby enable many communities such as my own community, thus far not having participated in this scheme, to have an opportunity of so doing.

The minister has won the respect of hon. members of this committee. I say to the Minister of Labour in the friendliest manner that if he would accede to this request he would find that he would cause his estimates to be disposed of rapidly and would give the country and parliament some sense of satisfaction in knowing that this government, a government that made so many promises in this field, is at long last prepared to take strenuous and vigorous steps toward easing unemployment.

Mr. Winch: Mr. Chairman, I should also like to speak to the Minister of Labour in a very friendly manner. I fully appreciate all that was said by the previous speaker in asking for a pronouncement from the Minister of Labour on the plans of the government for this summer, this fall and this winter to meet the problem of unemployment. There is no question whatever but that this is a reasonable request to which the minister should accede. I support all that was said by the hon. member for Essex East and endorse the questions he asked but I believe there is a problem of an even more immediate nature. We should have from the minister a statement concerning the government's present position, policy and plans for those who may not have food on the table this week of which there must now be thousands because of the fact that the supplementary or seasonal period for unemployment insurance has expired.

I recognize the truth of what the minister said in answer to a question a few moments ago. I appreciate all that the government has done in terms of extending on two occasions the seasonal or supplementary benefit period for unemployment insurance. That is all to the good. We congratulated the minister before on having done this and if he wishes more congratulations we will extend them to him at this time. However, the good work and good policies of the past mean nothing at all if no provision is made for a situation that may develop this week. The extension of the period to a certain date this month, excellent as it is, is not going to put ham and eggs or oatmeal on the breakfast table of hungry Canadians tomorrow.

In view of all the questions raised in the past and again today it is obvious that the government gave no consideration whatever to what would happen to the thousands across Canada on seasonal or supplementary benefits when the period was closed off. When thousands are cut off from receiving unemployment insurance benefits on one day it is not to be assumed that there are thousands of jobs waiting to be filled by them. What is the planning and thinking of the minister and the government in this respect?

It is now common knowledge that there was no planning or interest on the part of the government in the thousands of Canadians who were cut off. They were on their own unless they were prepared to go through the procedure of making application for receipt of social welfare or what is commonly known as relief. Hon. members of this committee are perfectly in order in raising questions such as those raised today by the hon. member for Essex East. These reasonable questions have been put to the government in emphatic terms on many occasions and are deserving of honest answers. But of even more importance is that the government inform us through the minister what the government's policy is for those who are not only unemployed but not in receipt of seasonal or supplementary unemployment insurance payments.

It is easy to speak in platitudes and generalities about what has been done in the past but that does not feed, clothe or shelter those who in the past two days have been denied any further assistance under the

Unemployment Insurance Act. I believe we are being very reasonable in asking for an answer to this question.

Having just returned from my home city of Vancouver I can say that this is the question my constituents expect me to direct to the Minister of Labour: How do they eat tomorrow and next week when no jobs are available and without receipt of unemployment insurance payments?

(Translation):

Mr. Caron: Mr. Chairman, the minister says: "We shall act in due course", yet everybody knows that "to govern is to foresee".

I fully agree with everything the hon. member for Vancouver East (Mr. Winch) just said. Since additional benefits or payments have ceased, i.e. since May 15, the position has become serious not only in view of next fall, winter and spring, but even now. I realize that people will not die of hunger, because they will turn to the municipalities, but by that time municipalities will have to carry too much of a load for their means, as they did last year.

I have previously quoted some figures in this respect, and I am repeating them. In 1955 the city of Hull spent $180,000 on public relief, part of which was paid by the provincial government and the rest by the municipality. Under this heading the budget of the city of Hull provides for the fiscal year 1959-60 an amount of $588,000.

What is the department planning to do for the relief of municipalities? Did not the Prime Minister (Mr. Diefenbaker) promise the municipalities before March 31, 1958 that he would help them, knowing that they lacked the taxation powers of the provincial and federal governments? Just now, when municipalities are really in need, we ask the government to act, and all it says is: "We shall do so in due course".

As the hon. member for Vancouver East said a moment ago, the time to do so is now. The unemployed are no longer getting insurance benefits and, as a result, municipalities and public relief agencies have to shoulder the whole burden. Could not the minister introduce at once some legislation which could at least help municipalities shoulder the burden that is crushing them because of the government's carelessness? Unemployment insurance benefits which have to be paid out are not the result of temporary unemployment, but of an economic recession for which municipal governments are not responsible.

Mr. Chairman, municipal governments cannot be held responsible for problems of international trade, nor for the decrease of foreign purchases in Canada, nor for the fact that our industrial reserves are so huge that our industries have to close down plants to avoid overloading their warehouses. Quite the contrary, the responsibility for all this lies with the central government, and that is why we are now urging them to open their eyes and see what is going on.

The hon. member for Vancouver East is back from visiting his constituency. He saw for himself what the situation was back there. It is the same situation as in this area and in neighbouring municipalities, yet the government—starting with the Minister of Labour—are closing their eyes so as not to see. That is what we are complaining about at the present time.

Mr. Chairman, a moment ago, the Leader of the Opposition (Mr. Pearson) asked the Minister of Labour to postpone consideration of the first item of his departmental estimates, that we may have a chance to discuss those problems. What was the minister's answer? He replied: "We can't do that." And yet, it has been done in the past. On many occasions in the past, ministers have agreed to let the first item of their estimates stand, for later consideration. This procedure was also the current practice in the Quebec legislature when I used to be a member. As a matter of fact, the first item of the estimates of each department used to stand till the end of the session. However, it seems that we want to enforce a new kind of closure in this house by saying: "You have to adopt this or you will not get anything." Sir, we cannot agree to this new brand of closure from a government whose members have claimed that the rights of members of parliament should be respected and that the rights of the opposition are equal to those of the government side of the house.

Mr. Chairman, we find that all those rights are being denied members of the opposition. We have no right to request anything. We are always turned down. Mr. Chairman, I say that the government is wrong when it does not live up to its responsibility towards those who are suffering. As the hon. member for Vancouver East said earlier, it is not

its responsibility to feed the hungry, to clothe those who are cold and provide shelter for those who may have to live in the open.

I believe that the minister is not facing his responsibilities when he refuses the proposals put to him by the members of the opposition. Let him bear the whole burden, the whole responsibility.

(Text):

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, we have heard some very impassioned appeals this afternoon, and pictures have been put before us of people whose benefits under unemployment insurance have expired and they are being thrown off the list. It is hard to realize that those appeals have come from an opposition which is doing everything it can to obstruct amendments to the Unemployment Insurance Act which, among other things would extend the period of benefit from 36 to 52 weeks.

Mr. Martin (Essex East): On a point of order, the hon. gentleman has said that hon. members in this house are obstructing the passage of certain amendments to the Unemployment Insurance Act. "Obstruct", of course, is an offensive word as you, Mr. Chairman, well know. What we have been doing is trying to provide greater justice to the workers and the employers of this country under the act. The suggestion made by so reasonable a member, one of the most reasonable in this house is, to put it mildly, a matter of the greatest regret, I hope that he will withdraw that at once and not require action by the Chair.

The Deputy Chairman: May I advise the hon. member for Vancouver-Kingsway that he cannot discuss a matter which is before a committee until that committee has reported to the house.

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, I would just remind the committee and all those who are complaining about the number of people whose benefits under unemployment insurance have expired, that they did in fact vote against this measure in principle in the house within the last few days, all except one member, the hon. member for Vancouver East.

Mr. Martin (Essex East): On a point of order, Mr. Chairman, those who voted against the measure did not vote against unemployment insurance; they voted against a particular provision which they felt did not provide justice to certain groups in our country. They did not vote against unemployment insurance, particularly when it is realized that those in the Liberal opposition constitute the party which introduced unemployment insurance in this country.

Mr. Pallett: That is not correct.

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, to put the record straight as to who introduced unemployment insurance, I would like to remind the committee that the Conservative party introduced it long before the Liberal government ever did. If hon. members will look up the record they will find the answer. It was assented to on June 28, 1935, when the Conservative government of Rt. Hon. R. B. Bennett was in office. Furthermore, the first thing that the Liberal government did when it got into office was to try to get rid of it, and the way they did it was to have it taken to the Supreme Court of Canada where it was ruled ultra vires.

Mr. Martin (Essex East): I rise on a point of order.

Some hon. Members: That is true.

Mr. Martin (Essex East): The hon. gentleman said that the Liberal government caused the Supreme Court of Canada to rule it ultra vires.

Some hon. Members: He did not say that.

Mr. Ricard: He did not say that.

Mr. Martin (Essex East): Under our constitution there are three arms of government, the legislature, the judiciary and the executive, each of which has separate functions. For one hon. member to say that a political party has interfered with the judicial process in this country is to cast a reflection on that body and is contrary to the rules of debate in this house.

Mr. Browne (Vancouver-Kingsway): The effect of their referring it there was to get rid of it. The same thing applies today in these extraneous arguments that they are giving to us. They have all kinds of reasons why they cannot vote in favour of it. They are opposed to it. They do not want to stop unemployment insurance but they do not want to extend the benefits. They do not want to increase the contributions. I think every fair-minded person in this country realizes that if we are to extend the benefits we shall have to increase the contributions to the fund.

The Deputy Chairman: I must remind the hon. member that this matter was before the house; it was voted on and disposed of.

Mr. Browne (Vancouver-Kingsway): It was before the house and it was voted on. That is what I am saying. Then, we hear all those bleatings from the opposition in this house about the people suffering because their benefits have expired.

Mr. Argue: I rise on a point of order. It is a well-known rule in this house that in a

debate it is out of order to refer to anything that took place in another debate in the same session. I think, in the interests of proper procedure in this house, the hon. member should not attempt to revive on item one of the labour estimates a debate that took place on an amendment to the Unemployment Insurance Act. I would suggest that the hon. member who has the floor should not stoop to such a flagrant breaking of the rules of this house. I would suggest that in the interests of orderly procedure no member should refer in one debate to action taken by members in another.

The Deputy Chairman: I think I made it quite clear to the hon. member for Vancouver-Kingsway that he could not refer to a debate concerning a matter that has already been voted on in the house and on which the house has made its decision. I hope the hon. member will bear that in mind.

Mr. Browne (Vancouver-Kingsway): I would be the last to want to offend against the rules of the house, Mr. Chairman, but I simply felt that the facts should be set straight at this time.

Mr. Howard: Mr. Chairman, I raised a particular question earlier in the consideration of this item. You know, Mr. Chairman, if these people opposite would like to make comments I would appreciate it if they would do so in a loud voice so I can hear them or make them in the proper way by standing up and doing so instead of sniping and yapping away like a little terrier puppy. I asked the minister a question concerning the ratification of I.L.O. convention No. 87 concerning freedom of association and protection of the right to organize. I raised this matter earlier and I only make these comments to refresh the memory of the minister because so much has intervened since then. The convention provides that workers' and employers' organizations shall not be liable to be dissolved or suspended by administrative authority or interfered with by public authority as was done in Newfoundland by the politicians of that province.

I asked the minister then and I ask him now whether it would not be possible for Canada to ratify this convention. I make reference to it particularly but there are many others which Canada has not ratified. Could not Canada ratify this convention in so far as it applies to the field of jurisdiction of the federal government or the Department of Labour without in any way having any effect upon the provinces? Will the minister indicate whether action is contemplated to ratify convention No. 87? If that step is taken he will realize it may prevent some other minister of labour—I do not include the present minister because I am sure he probably does not entertain thoughts of this nature—from taking precisely the same disgraceful steps that were taken in the province of Newfoundland. Will the minister take under consideration the possibility of ratifying convention No. 87 in so far as the jurisdiction of the Canadian parliament is concerned?

[Mr. Argue.]

Mr. Starr: In answer may I advise the hon. member that I will confer with the Department of Justice in order to receive their advice.

Mr. Howard: As indicated by the minister in answer to a question of mine, there are some 93 international labour organization conventions which have not been ratified by Canada. I have here a list of them giving their numbers, their dates of passage by the I.L.O. and an indication of their subject matter such as unemployment, maternity protection, night work, minimum age and so on. The reason given by the minister is that they all fall partially within the legislative jurisdiction of the provinces. Will the minister confer with the Department of Justice to ascertain our position with respect to the rest of these I.L.O. conventions? I point out that they all fall in substantially the same category. I should also like to ask for permission to have this table incorporated as part of the proceedings.

The Deputy Chairman: Has the hon. member the unanimous consent of the committee to have the table he has referred to printed in *Hansard*?

Mr. Pickersgill: Would the hon. gentleman explain what the table is? I am afraid I did not catch what he said.

Mr. Howard: I thought I had done so. This is sessional paper No. 80A. It contains the minister's reply to a question of mine and the conventions not ratified by Canada are listed numerically and there is also an indication of the subject matter and the year in which the conventions were adopted by the I.L.O. It indicates which ones have not been ratified by Canada.

Mr. Pickersgill: Has this not already been printed if it is an answer to a question?

Mr. Howard: No, it was an order for return.

The Deputy Chairman: Has the hon. member unanimous consent to have this list printed in *Hansard*.

Some hon. Members: Agreed.

(Editor's note: The list above referred to follows:)

List of International Labour Conventions 1919-1958 which have not been ratified by Canada:

No.

2 Unemployment, 1919
3 Maternity Protection, 1919
4 Night Work (Women) 1919
5 Minimum Age (Industry) 1919
6 Night Work of Young Persons (Industry) 1919
9 Placing of Seamen, 1920
10 Minimum Age (Agriculture) 1921
11 Right of Association (Agriculture) 1921
12 Workmen's Compensation (Agriculture) 1921
13 White Lead (Painting) 1921
17 Workmen's Compensation (Accidents) 1925
18 Workmen's Compensation (Occupational Diseases) 1925
19 Equality of Treatment (Accident Compensation) 1925
20 Night Work (Bakeries) 1925
21 Inspection of Emigrants on Board Ship, 1926
23 Repatriation of Seamen, 1926
24 Sickness Insurance (Industry) 1927
25 Sickness Insurance (Agriculture) 1927
28 Protection of Dockers Against Accidents, 1929
29 Forced Labour, 1930
30 Hours of Work (Commerce and Offices) 1930
31 Hours of Work (Coal Mines) 1931
33 Minimum Age (Non-Industrial Employment) 1932
34 Fee-Charging Employment Agencies, 1933
35 Old Age Insurance (Industry, etc.) 1933
36 Old Age Insurance (Agriculture) 1933
37 Invalidity Insurance (Industry, etc.) 1933
38 Invalidity Insurance (Agriculture) 1933
39 Survivors' Insurance (Industry, etc.) 1933
40 Survivors' Insurance (Agriculture) 1933
41 Night Work (Women) (revised) 1934
42 Workmen's Compensation (Occupational Diseases) (revised) 1934
43 Sheet Glass Works, 1934
44 Unemployment Provision, 1934
45 Underground Work (Women) 1935
46 Hours of Work (Coal Mines) (Revised) 1935
47 Forty Hour Week, 1935
48 Maintenance of Migrants' Pension Rights, 1935
49 Reduction of Hours of Work (Glass Bottle Works) 1935
50 Recruiting of Indigenous Workers, 1936
51 Reduction of Hours of Work (Public Works) 1936
52 Holidays with Pay, 1936
53 Officers' Competency Certificates, 1936
54 Holidays with Pay (Sea), 1936
55 Shipowners' Liability (Sick and Injured Seamen) 1936
56 Sickness Insurance (Sea), 1936
57 Hours of Work and Manning (Sea) 1936
59 Minimum Age (Industry) (Revised) 1937
60 Minimum Age (Non-Industrial Employment) (Revised) 1937
61 Reduction of Hours of Work (Textiles), 1937
62 Safety Provisions (Building), 1937
64 Contracts of Employment (Indigenous Workers), 1939
65 Penal Sanctions (Indigenous Workers) 1939
66 Migration for Employment, 1939
67 Hours of Work and Rest Periods (Road Transport) 1939
70 Social Security (Seafarers) 1946
71 Seafarers' Pensions, 1946
72 Paid Vacations (Seafarers) 1946
75 Accommodation of Crews, 1946
76 Wages, Hours of Work and Manning (Sea) 1946
77 Medical Examination of Young Persons (Industry) 1946
78 Medical Examination of Young Persons (Non-Industrial Occupations) 1946
79 Night Work of Young Persons (Non-Industrial Occupations) 1946
81 Labour Inspection, 1947
82 Social Policy (Non-Metropolitan Territories) 1947
83 Labour Standards (Non-Metropolitan Territories) 1947
84 Right of Association (Non-Metropolitan Territories) 1947
85 Labour Inspectorates (Non-Metropolitan Territories) 1947
86 Contracts of Employment (Indigenous Workers) 1947
87 Freedom of Association and Protection of the Right to Organize, 1948
89 Night Work (Women) (Revised) 1948
90 Night Work of Young Persons (Industry) (Revised) 1948
91 Paid Vacations (Seafarers) (Revised) 1949
92 Accommodation of Crews (Revised) 1949
93 Wages, Hours of Work and Manning (Sea) (Revised) 1949
94 Labour Clauses (Public Contracts) 1949
95 Protection of Wages, 1949
96 Fee-Charging Employment Agencies (Revised) 1949
97 Migration for Employment (Revised) 1949
98 Right to Organize and Collective Bargaining, 1949
99 Minimum Wage-Fixing Machinery (Agriculture) 1951
100 Equal Remuneration for Men and Women Workers, 1951
101 Holidays with Pay (Agriculture) 1952
102 Minimum Standards of Social Security, 1952
103 Maternity Protection (Revised) 1952
104 Abolition of Penal Sanctions (Indigenous Workers) 1955
105 Abolition of Forced Labour, 1957
106 Weekly Rest (Commerce and Offices) 1957
107 Protection and Integration of Indigenous Populations in Independent Countries, 1957
108 Seafarers' Identity Documents, 1958
109 Wages, Hours of Work and Manning (Sea) (Revised) 1958
110 Conditions of Employment of Plantation Workers, 1958
111 Discrimination in Respect of Employment and Occupation, 1958

The Deputy Chairman: Shall vote 163 carry?

Mr. Howard: I had asked whether the minister would indicate if he will confer with the Department of Justice about these other I.L.O. conventions.

Mr. Starr: I will take that suggestion under consideration.

Mr. Argue: Mr. Chairman, I have been greatly disappointed with the attitude of the minister toward a winter works program. In looking over *Hansard* for Friday, May 15—

Mr. Browne (St. John's West): The hon. member cannot refer to a debate on another matter.

Mr. Argue: May I tell my hon. friend from Newfoundland that I am referring to the debate on item one, the same item, and it is very much in order. As a matter of fact, such references are provided for by the rules.

In connection with the possibility for providing a winter works program the minister said: "I have had some experience in this connection. Preparation for any plan of this nature at this time would be a little premature." That is a rather fantastic statement by the Minister of Labour in view of the history of seasonal unemployment in this country. Everyone who knows anything at all about unemployment statistics knows that even in a period of relatively full employment we do have substantial unemployment in Canada in the winter time.

I have on my desk the unemployment figures for recent years. Taking the month of February, for example, I find that unplaced applicants in February of 1956 numbered 515,000, in February of 1957 574,000 and in February of 1958 854,000. Tremendous unemployment in the winter has become almost the pattern. Yet the Minister of Labour, when asked whether the government is making any plans to provide for even a relatively small winter works program, said that it was too soon and that it would be premature to advance such a program at this time.

This shows, that the government not only has no plan but does not really think that seasonal unemployment is a very urgent or important matter. Not only has the government winter works program employed only 40,000 people on site, but the fact is that the government is not prepared to undertake the necessary planning to provide an adequate program next year. Surely this is a callous attitude. It means that the government has little or no regard for the approximately half million people who have been unemployed during the winter for some years. I suggest to the minister that he endeavour to get his colleagues to agree now to announce that for the coming winter there will be a continuation of the winter works program with certain improvements as to amounts paid thereunder. As has already been said, the minister would assist in the passage of his estimates if he were to state now the policy of the government on this important question.

There is another matter to which I should like to refer, Mr. Chairman. I should like to ask the Minister of Labour what the attitude of the government has been to the very important presentation made to the government by the united steelworkers of America requesting a full inquiry into the steel industry of this country. I feel that the Minister of Labour is the appropriate member of the cabinet to whom to direct this question, since the whole point in the brief presented to the government was this: That the workers in this industry have been blamed for the very high steel prices. They believe that the high steel prices have resulted from an arbitrary fixing of steel prices by the companies at levels that are unduly high, at levels that are not justified by the wage rates paid in the industry. Although there has been a substantial increase in productivity over the years, the wage increases have never equalled the increase in productivity and yet the steel industry of this country, according to this submission to the government, has set steel prices unduly high to the consumers of steel and the industries in Canada dependent upon steel. I should like to have from the Minister of Labour a statement on the attitude of the government toward this brief.

Mr. Starr: May I answer the hon. member's question at this time? It is evident that the hon. member does not realize this matter is under consideration by the Minister of Trade and Commerce, and that the representations in that regard will not be made by me but will be made by the Minister of Trade and Commerce to the government.

Mr. Argue: I wish the Minister of Labour would talk to his colleague the Minister of Trade and Commerce. I see that the memorandum was not presented to the Minister of Trade and Commerce, but was presented to the Prime Minister and the government of Canada. This is becoming a government of delay, indecision and procrastination. There has been delay with regard to this submission, with regard to the appointment of a minister of external affairs, as well as appointments to 40 or 50 prominent positions in the civil service. There has been delay upon delay. I think the trade union people of this country will be disappointed that the Minister of Labour, on item one, is not able to give an affirmative answer to the important request of the steelworkers that the steel industry in Canada be investigated. In their submission, the steel industry is taking exorbitant profits and is blaming the high prices on the workers in the industry.

I have another question that I should like to direct to the Minister of Labour, and that has to do with the wage rates being paid by contractors doing work on the South Saskatchewan river project. I want to say that I raised this matter under the P.F.R.A. item of the estimates of the Department of Agriculture. At that time I was told by the Minister of Agriculture that all the correspondence coming to him on this matter had been referred to the Minister of Labour. I take it, then, that the Minister of Labour has knowledge of this situation and will be able to tell the committee what action has been taken in this regard.

As I understand the situation, it is that the contractors who are doing the work on this project have not abided by the minimum standards of wages and working conditions provided under the Saskatchewan law. They have failed to comply with the Saskatchewan law because they have said that in working on this project they are subject to federal law. The trade unions in Saskatchewan, and the people of Saskatchewan generally, do not support the position taken by the contractors, namely that they should be paying sub-standard wage rates in Saskatchewan and imposing working conditions that are not similar to working conditions provided by contractors who come under provincial jurisdiction. If this is the case, and I have every reason to believe it is, if it has not been corrected, then I think it is a reflection on the federal government and the federal government's policy.

Another point that is made is that the people employing the labour at Outlook are endeavouring to employ labour based upon non-union wages, based upon wages in rural areas that are not and cannot be subject to a general labour act and are, therefore, tending to pull down the general level of wages in the province. I ask the minister what action has been taken as a result of the submissions that have been made to him.

Mr. Starr: Mr. Chairman, the hon. member has brought up the matter of the South Saskatchewan river dam project and the wage policies applying to that project. I should like, in answer to his question, to make this statement. My department, that is the Department of Labour, has received a number of representations respecting wage rates on contracts let by the Department of Agriculture for various phases in the construction of the South Saskatchewan river dam. Most of these representations have stemmed from the Saskatoon building trades council, in an attempt to have the wage rates recognized by that council and which apply in Saskatoon, applied also to various contracts let for the construction of the South Saskatchewan river dam.

The Saskatoon construction industry wage rates are generally the highest in the province. There is no justification for applying these rates on the Saskatchewan dam unless it is necessary to bring labour from Saskatoon in order to proceed with the project. But, in fact, the inquiries that we have made show that only 3 per cent of the labour supply comes from Saskatoon, and the great bulk of it comes from many locations in the province outside the four major cities of Saskatoon, Regina, Moose Jaw and Prince Albert.

What we have done has been to establish on this project minimum rate schedules which are based upon collective agreement rates where they are applicable in the area, and on wage surveys of private industry construction rates where there are no collective agreements. Such survey areas comprise the secondary cities and the larger towns of the province. With respect to our minimum wage rates applied at the Saskatchewan dam, three rates are collective agreement rates applicable on projects anywhere in Saskatchewan and one rate is that established by a collective agreement on the site of the work. The other rates compare favourably with quite a few of the rates that we use on contract projects in the four larger cities.

I wish to make it clear that the wage rates contained in the wage schedules issued are the minimum wage rates which the contractors are required to pay for the several occupational classifications of employees employed on the projects. The contractor may find it necessary to pay higher rates than those provided in the schedule, either by reason of having to recruit his employees from higher wage centres or as a result of collective bargaining. If we applied Saskatoon rates on the dam projects, it would mean also that the Saskatoon rates would have to be applied on all other federal government contract works in the province, including the extensive work done by P.F.R.A. It would have the effect of raising construction rates generally and thus increasing construction costs all over the province without good cause.

We are making another wage survey this summer of the private industry construction wage rates in Saskatchewan and if the general level of wages has risen, then corresponding increases will be made in the minimum wage rates used on these federal contract projects. The method of determining fair wages to apply on federal government contracts is based upon the fair wages legislation and is in line with the policy that has been applied for over 50 years.

Mr. Argue: I do not think the reply of the minister is satisfactory. A little later on I wish to quote from a letter that was sent by Premier T. C. Douglas to the minister on January 21, 1959. I placed a motion on the order paper under date of May 1, 1959, and the motion reads as follows:

> A copy of all correspondence, telegrams and other documents or agreements exchanged between the federal government or any agency thereof and any provincial government, trade union or other organization, regarding the wage rates which are to apply in connection with the construction of the south Saskatchewan dam.

In looking through this correspondence I am unable to find reported here an answer from the Minister of Labour to the letter written to him by Premier T. C. Douglas on January 21. This may have been an error in the bringing down of this return. I should like to ask the Minister of Labour whether he has replied to the premier of Saskatchewan; if so, under what date and whether his reply will be produced in the House of Commons in compliance with this order passed by the house.

Mr. Starr: Yes, I replied to the premier of Saskatchewan. I cannot tell from memory what the date was. I shall be glad to table the letter. Since I replied to the premier no further correspondence has ensued between the two of us. Hence I would deem that he was satisfied with my answer.

Mr. Argue: I would assume that he has probably come to the point reached by many other people in this country. I think he is probably discouraged with the great volume of correspondence he has had with the government and the very little action which results from such correspondence.

Mr. Pickersgill: At that he has obtained more than the premier of Manitoba.

Mr. Argue: The premier of Manitoba did not get very much.

Mr. Pickersgill: No; he certainly did not.

Mr. Argue: The premier of Saskatchewan received a letter which has not been produced in this house. Hence the premier of Saskatchewan has not received very much either. The premier of Saskatchewan and the minister of highways in Saskatchewan have been corresponding with the Minister of Public Works and trying to get the Minister of Public Works to embark on some programs to provide employment in this country. I am sure there are projects in which the Minister of Labour would take a great deal of interest. All the Saskatchewan government have been able to get from the Minister of Public Works are answers to their letters, but no action. In his letter of January 21, 1959, the premier of Saskatchewan said in part:

> Labour groups in our province have drawn to our attention the fact that to date the wage schedules issued to contractors have been set on the basis of the town of Outlook, the nearest urban centre to the construction site. Outlook, however, is only a town of less than 1,000 people. The great bulk of the workers on the project will have to be drawn from the larger cities such as Saskatoon, Moose Jaw and Regina, and their families will no doubt continue to live in these centres. The labour groups, therefore, contend that establishing rates of pay on the basis of Outlook conditions is manifestly unfair and the government of Saskatchewan shares this view.
>
> We recognize that the schedules issued by your department are only intended to fix minimum rates, but there is no doubt that the construction firms use these schedules in tendering on contracts with the result that the schedules effectively influence the actual wage rates. I would urge very strongly that in future the fair wage schedules should be based at least upon the going rates applicable in the cities of Saskatoon and Regina.

That has not been done, I interpolate, according to the minister's reply this afternoon.

> Unless this is done, I am very much concerned that the better contractors will find it difficult to bid successfully on the project and that the overall progress of the construction program will be greatly hampered by continuing labour difficulties.

We in Saskatchewan are proud of the way in which the contractors who have done work for the Saskatchewan government have been able to get along amicably with the trade unions in Saskatchewan. We resent very much the fact that on a federal project contracts being let result in the paying of wages that for Saskatchewan on similar projects are substandard.

Mr. Garland: I should just like to say one word briefly on this matter. Those of us in the opposition are indeed disappointed at the attitude of the minister in refusing to allow the first item to stand so that we might learn from him or from the announcements of other ministers in the government their attitude toward this continuing problem of unemployment. Many members on all sides of this house have come here after holding office in municipalities. In looking over the members whom I know I find that many of them have held offices in municipalities and are well aware of the problems that arise there. Regardless of party affiliation, I think many of them must view with some alarm this policy of winter works which was announced last year and which sought to transfer some of the responsibility for unemployment to the provinces and to the municipalities.

This winter works program—as has been said so often in this chamber and it is not my intention to repeat at any length—was a hurriedly conceived scheme at best. It has been described as too little and too late. The effect of it is apparent. It provided employment for less than 1 per cent of the employable people in this country. One might well question the value of a program of this type. Of what use is this type of work, provided, conceived and planned quickly by a municipality—that of laying sewers, digging ditches, cutting brush—to the average office worker, plumber, electrician or carpenter of this country who has the right to seek employment in his own trade?

I say that this is a matter of some real concern to the municipalities of Canada. With the experience that was gained with this

program last year surely it was up to the government this year to announce earlier the program they propose to implement in this regard. As all members of the house know, the municipalities arrange and plan their budgets early in the year. Surely that was another reason for announcing earlier in this calendar year the program that would be followed by this government.

There is, of course, another problem associated with any works that will be planned by the municipalities, namely that occasioned by the increased interest rates and the increased costs of borrowing which municipalities are now experiencing.

One other point I should like to make is this. I should like to ask the minister whether it is the intention of the government to announce before the end of this month what their policy will be in connection with winter works programs. My reason for asking that question is this. From May 31 until June 3 the Canadian federation of mayors and municipalities will be meeting in North Bay in convention. It would seem to me that here would be a splendid opportunity for the Prime Minister, who will be addressing that conference, to announce to the delegates assembled there the program which his government intends to implement as an effective means of dealing with this problem of winter unemployment. I wonder if the minister would be prepared to say if the government will be in a position to make an announcement at that time, or earlier.

Mr. Starr: No, Mr. Chairman.

Mr. Winch: I rise at this time to express an opinion on the winter works program. I do not intend to say anything on the last winter works program, but merely to convey, as I think it was intended that we from Vancouver should, the views of the Vancouver city council and of the engineering staff of that city on any other program of a similar nature which may be envisaged. I feel quite sure that the minister has something of a similar nature in mind for next year.

About two days before most of us had to leave Vancouver to attend the opening of the present session of parliament the Vancouver city council requested Vancouver members to meet them and discuss the winter works program. Unfortunately, the majority of hon. members could not be there but there was, nevertheless, a fairly good representation. It was pointed out to the Vancouver members of the House of Commons who were present that the city of Vancouver could have done much more with regard to this program if greater notice had been given, and if the city had been given the opportunity to arrange finance and carry out preliminary engineering work. It was emphasized at this meeting that if longer notice had been given to the cities and to the municipalities they would have been able to take much greater advantage of the federal government's proposal. We were asked to convey these views to the government.

I hope the minister will take this opportunity to say that consideration will be given to a further plan of this kind in the coming fall and winter, and in the following spring, and that he will be able to give the committee an assurance that longer notice will be given in order to enable the cities, towns and municipalities to take fuller advantage of his plans to the benefit of themselves and of the unemployed.

(Translation):

Mr. Bourget: Mr. Chairman, I must say to the Minister of Labour (Mr. Starr) that his reply of a flat no to the very sensible question put by my colleague, the hon. member for Nipissing (Mr. Garland), came as an unpleasant surprise to me.

The Minister of Labour must surely remember that the recent winter work program has not been an unqualified success in all cases, especially in the province of Quebec.

That is why I should like to say a few words on this matter. In the province of Quebec, all of the heavy burden fell on the municipalities alone, because the Union Nationale government failed to help them by paying 25 to 30 per cent of the cost of labour, as was done in other provinces.

As mentioned by my colleague, announcement of that program will presumably be made at a later date—at least that is what the Minister of Labour has indicated—probably in August or September. It will then be too late; in fact, it is too late now, because—as stated by previous speakers—municipal budgets are usually drawn up in February, March and April. So when the scheme is announced in August or September, municipalities will not have the money for public works that would provide jobs.

Of course, I cannot say whether the cabinet or the Prime Minister has asked the Minister of Labour to keep mum, but surely the minis-

ter must realize that the program should be announced now while we are discussing his department's estimates. In view of past experience, and of the situation last winter when many municipalities, mostly in Quebec, were unable to take advantage of the winter works program—wholly inadequate as it was—and had to take the full blame, or at least 90 per cent of it, for this state of affairs, I think the government's plans should be disclosed earlier. I hope the minister can tell us, before we are through with his estimates, what the government is planning in this respect, so that municipalities can start their own planning. As the minister knows, it takes two or three months to complete field surveys and prepare plans and estimates, so if a start is to be made on this program in early December, municipalities should be put in a position where they can start planning for it immediately.

I hope the minister will not remain silent until we are through with his estimates, but rather will inform not only the house, but also interested municipalities, as to its intentions regarding this program for next winter.

(Text):

Item agreed to.

A—Department—

164. Economics and research branch, including research grants and related expenses, $670,030.

Mr. Howard: This particular item concerns the economics and research branch. I wonder if the minister would indicate what are the activities of this branch. Could he tell us what researches the branch conducts, and could he give us some information about the research projects which have been conducted during the past year, together, if possible, with any plans the branch has for the future. With regard to grants—and I believe these amount to some $7,000—could he tell us who receives these grants and for what purpose they are used.

Mr. Starr: Under the general authority of the Department of Labour Act the economics and research branch serves as a central federal agency for economic and social analysis and research in the labour field in carrying out research projects on labour problems including wages, hours and working conditions, union organizations, collective bargaining, employment and unemployment, professional and skilled manpower, occupations, the training of skilled manpower and other subjects in the labour field. The service is conducted in co-operation with employers, unions and research, statistical and other agencies within the government and outside.

The results of these activities are made available through regular and special reports which are widely distributed, and many articles appear regularly in the *Labour Gazette*. This is the type of work which is carried on, and whenever any particular subject comes to our attention it is taken up by this department for study and a report.

These grants are paid to universities. Last year we paid out the following grants: University of Toronto, $200; University of Alberta, $1,000; University of British Columbia, $1,200; an additional grant to the University of British Columbia, $1,000; University of Ottawa, $1,200 and McGill University, $1,000. These relate to studies on labour arbitration, labour management and labour relations, union management, technological change and so on. These are the grants paid to the universities to carry out studies of this nature.

Mr. Howard: Professor Carrothers, a law professor of the University of British Columbia, has written a book concerning the use of court injunctions in labour disputes in the province of British Columbia and is presently working on an analysis of arbitration cases in that province. Would he be in receipt of any of these grants? Would he operate partially under a grant?

Mr. Starr: In 1953-54 we provided for the payment to Mr. Carrothers of $900 to assist in the study of the use of labour injunctions and in 1954-55 the sum of $300 was provided for this purpose.

Mr. Howard: I understand he is presently working on a similar study with respect to arbitration in labour disputes. Would he receive assistance in this respect?

Mr. Starr: Out of this $7,000 there would be some assistance in that matter.

Mr. Martin (Essex East): Mr. Chairman, under this item I presume would come the authorization for whatever researches are being undertaken in the department with regard to a modern problem that is of great concern, I am sure, to all of us, and that is the problem of automation. This question was referred to the other day by the Leader of the Opposition and earlier in some detail by the hon. member for Trinity.

It would be interesting to know to what extent the Department of Labour through its research division, which I am sure is an excellent one and I suspect comes under the direction of that very able economist, Mr. G. V. Haythorne, has been able to ascertain what conclusions have thus far been arrived at with regard to the effect of automation in Canada.

Our unemployment figures are serious as they have been for the past two years.

To what extent are we able to attribute it to the factors of automation? Possibly the minister could give us some indication as to whether or not studies have been pursued to show if automation has affected unemployment and could it be somewhat counteracted by the advantages to date of automation itself, or is it a fact that the machines, for instance, that make automation possible in our day are not produced in this country to any extent but are produced notably in the United States and as a result, while we have unemployment due to automation, we do not at the same time have fully the corrective measures to provide some counter-action?

I have been interested in this problem as one who lives in a great industrial centre of the automobile industry. I have recently been told, for instance, that automation has not had the effect on that industry that I had publicly suggested was the case. In any event this is a matter that very greatly concerns our generation. The Department of Labour, I know, has been giving some attention to this matter. I am sure we would all welcome a statement from the minister as to the effect and as to the result of these researches.

Mr. Starr: If the hon. member would hold his question temporarily I could make a statement in a few minutes.

Mr. Peters: Mr. Chairman, there has been some suggestion that the research and economics division of the Department of Labour was set up for the specific purpose of providing figures that could be compared to or used in conjunction with or opposition to those figures prepared by the dominion bureau of statistics. Since the present government has taken office has any consideration been given to eliminating the duplication that obviously takes place as between the two departments. Many of these figures we have on employment and employment trends are at variance with dominion bureau of statistics figures while others appear to be a duplication of the bureau's figures or statistical breakdowns of figures prepared by them. Has the minister found any justification for maintaining this division that processes and obtains figures which should already be available from the dominion bureau of statistics?

Mr. Starr: Mr. Chairman, the work in the economics branch is undertaken from the point of view of the labour market and does not duplicate the labour activities of the economics branch of the Department of Trade and Commerce which works from a labour trend and research point of view.

I made inquiries in this regard to satisfy my own curiosity and general knowledge on another occasion and I have been assured there is no duplication. One group does a certain work and the other does another work both of which are vital. The work of the labour department is valuable in the compilation of these figures. As I say, I have been assured there is no duplication.

Mr. Pickersgill: Mr. Chairman, along the line that the hon. member has just taken, I have been really concerned over the growing margin between the estimate of unemployed which we all know the dominion bureau of statistics secures by a sampling procedure similar to the Gallup poll—one hopes it is as accurate—and the actual count that is made in the employment offices. The disparity between these figures has grown very markedly in the last two years. If the hon. member for Essex East happens to have his figures there I could point out that the gap—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): It is 445 in one case and 733 in the other.

Mr. Pickersgill: The figure in one case is 445,000 and in the other 733,000. I think this is a bigger gap than ever before except perhaps in one or two preceding months this year.

Some of us who represent outlying parts of the country know that even the figure of unplaced applicants is well below the number of people who are genuinely anxious to get work because some people who have exhausted their stamps do not think it is worthwhile to waste a postage stamp writing to St. John's or to Grand Falls to have their names put back on the roll when they know there are no jobs available in any case.

I have had some experience with this matter when I was an official some years ago and these two sets of figures are very difficult to reconcile.

I admit that they do not pretend to measure the same things. I am not going to try to make arguments on this side of the house that I used to reply to when I was on the other side of the house. The only thing I am concerned about—and I think a lot of us in this country who are really concerned about the continuing magnitude of this problem of unemployment are also—is the growing margin between these two figures. It is really quite a big gap between 445,000 and 733,000. It is almost 300,000, and that is not the kind of gap there used to be in earlier years.

Of course, the magnitude of the figures was less in earlier years; but I am wondering how

much research is being done on the preparation of these figures, and how much is being done about checking the sampling technique, because I have a very real concern about its accuracy. I know that an effort has been made—and I am not accusing the government of anything because I know that when we were in office we made an effort—to purge these employment service lists of names of people who had already got jobs or who had really left the labour market, and tried to keep them as a reflection of people who were really looking for jobs. I know also they are taken once a week. They are always going to exaggerate to some degree, I admit, the number of people who are unemployed but there does seem to me to be a really serious disparity between these two figures on which more real study is needed than appears to have been given, judging by such debate as we have had in the house up to now.

Mr. Starr: In answer to the question of the hon. member for Bonavista-Twillingate, may I say that these figures have intrigued me ever since I have taken over the responsibility. I found upon inquiry that this trend of the difference has always been in existence between the D.B.S. figures and the other figures.

Mr. Pickersgill: Always a difference, yes.

Mr. Starr: On the same basis, as a matter of fact.

Mr. Pickersgill: The proportions are getting worse.

Mr. Starr: In the summer time they are closer together and then when seasonal unemployment starts, winter lay-offs start, the gap widens in that respect. That is the only explanation I have been able to get on this difference.

Mr. Pickersgill: There is one other thing I would like to say. The minister will remember that when he was over on this side of the house his measure of unemployment, and that of his associates over here, was always the national employment service figure, but then, on June 21, he saw a great light on the road to Damascus and since that date the figure for unemployment has always been the lower figure.

Mr. Martin (Essex East): It was not Paul.

Mr. Pickersgill: It was not Paul, either, as the hon. member for Essex East pointed out, on this occasion who saw the light on the road to Damascus. It may not have been the road to Damascus; it may merely have been the road to the Confederation building. But I must say that I cannot help but have the feeling that a lot more research should be done not merely into the categories of figures but perhaps because, when all is said and done—as the Prime Minister told us on one famous occasion—unemployment is not a statistic. There should be a study of who these people really are and what the kinds of employment are, and a lot more work. I am not arguing that the minister should employ a lot more people in this branch but I am just wondering whether the kind of practical, hard study, realistic study is being carried on that should be carried on.

Mr. Starr: Yes; I am assured that extensive research and continual research is being made in this respect.

May I answer the hon. member for Essex East who requested an explanation of automation? I would like to make this statement, Mr. Chairman. New labour-saving machines and more efficient production methods have been a feature of industry and business in Canada for as long as these have existed. What is new today, and it is affecting both the factory and the business office, is the increased pace at which technological changes are taking place and the way in which new automatic equipment is performing a whole range of production or office tasks rather than only one or two relatively simple operations.

It is very easy to become confused when discussing automation because this type of technological change can take many different forms. One type, for instance, involves the use of specialized machinery which carries out a pre-set number of operations with almost no human intervention. Such machines, although becoming more numerous, have been in use in many manufacturing industries for quite a few years.

A second kind of automation involves the integration of materials handling and a number of processing operations. Transfer equipment, for example, automatically carries the work from one automatic machine to another. This is usually called Detroit automation and in Canada is found in only a very few firms, mainly in the automobile industry.

A third type of automation involves the use of automatic electrical or electronic control systems. These are fairly common and have been a feature of some industries for many years. This is the type of automation found in oil refineries, electric power stations, communications and a number of other newer fields, such as railway yards and sheet steel production.

A final type of automation involves the use of electronic computers and data processing machines. Such equipment can be used for research work and for office work where large volumes of data have to be processed.

Insurance companies, public utilities and banks are using these to an increasing extent.

It is very difficult at this stage to estimate the impact of automation upon the labour force in Canada. There undoubtedly have been cases where it has resulted in lay-offs of individual workers at specific plants. There is some evidence to indicate, however, that the Canadian experience so far has been that the expansion of company business and normal labour turnover, coupled with planned policies on transfer and retraining, have gone and can go a considerable way toward successfully meeting the human challenge posed by the new methods and machines.

Nevertheless, what the cumulative effect will be on the situation in local areas or on the national economy is still not clear. It has been suggested that the employee displaced by automation is the one who is not hired. That is to say, the main result may be important changes in the kinds of job opportunities available for new entrants to the labour force. One difficulty is that the effects created depend on many other factors: the degree of prosperity in the national economy; levels of employment and unemployment in alternative occupations; the speed with which new or extended job opportunities open up in the tertiary service industries; and the rate at which technological changes themselves spread throughout Canadian industry.

It is because of the scarcity of reliable data on the effects of automation that our intention in the Department of Labour has been to carry out, and stimulate elsewhere, as much research as possible on these effects in industry and in business offices. In the department we have been conducting for the past two years a number of detailed and more general studies of automation and its effects. The findings of some of these investigations have already been published and given wide circulation.

To help us in securing the facts about automation and its consequences we established two years ago a small technical advisory committee consisting of representatives from industry, from labour and from Canadian universities. I made mention of that in the committee last week when we were discussing the estimates of our department.

Mr. Martin (Essex East): Under the chairmanship of—

Mr. Starr: Mr. Haythorne.

Mr. Martin (Essex East): A splendid man.

Mr. Starr: We have reviewed our research plans with this committee and discussed our findings with them and in this way received useful advice and suggestions. This committee will be meeting again in May to discuss this work further.

As I have indicated, it has seemed to us that there was not enough reliable information about automation and its effects on manpower to provide a foundation for a fully useful discussion by any large committee or conference. Our approach at this stage, therefore, has been to make use of a smaller advisory committee to work with us in the basic job of assembling the facts. This is the foundation on which any more general discussion should be based. I must say that for the past two years we have been working on automation in the automobile industry.

Mr. Herridge: On that point I should like to ask the minister a question. I think I have been most restrained this afternoon. Are these investigations carried out in the smaller centres and in the smaller industries? I think the picture there is in some cases changing faster than it is in some of the larger industries. The picture so far as automation is concerned has changed very rapidly in the last five years and if these investigations are not carried out in the smaller centres and industries they will not actually reflect the true picture throughout the country.

Mr. Starr: Automation in general has been carried out in the larger industries rather than the smaller ones. We have made studies of the electrical products industry, the heavy machinery industry, the household goods industry and the automobile industry.

Mr. Herridge: I think the minister's department should make some investigation into the sawmill industry in view of the thousands of feet of lumber that are being cut per man per day compared with even ten years ago. The same thing applies to logging in some cases. Years ago it was considered to be a good day's work to put 1,000 feet of logs on the beach per man per day but in our district it has now reached 10,000 feet per day per man. That shows the effect of automation even in the smaller logging enterprises and smaller sawmills.

Mr. Carter: Can the minister advise the house whether he has any information on similar studies being carried on in the United States with regard to this question? The reason I ask is that I saw a report recently indicating that the pre-recession level of production had been attained in the United States with a million fewer people in the labour force. The inference was that the million fewer jobs was due to automation. Can the minister confirm anything like that from United States inquiries?

Mr. Starr: No, Mr. Chairman, I do not know what studies are being carried out in the United States in that field.

Mr. Peters: I think some consideration should be given to the matter of having the same type of organization in two departments of the government. I am satisfied that the minister has probably examined the matter in terms of unemployment figures because he has had a great deal to do with them in the last two years. However, a large proportion of the figures coming from the research branch of the Department of Labour appear to be only a re-hash of figures compiled by the dominion bureau of statistics. Sometimes they are put together in a different way. Sometimes they are divided by zones or in various other ways. They are issued in various publications and this seems to be a duplication of services which I do not think is necessary.

Having been in the labour field for a number of years and interested in the research done by the Department of Labour, I have found that most of the material published is not suitable for use in the field. Most of it can be found in a much more up to date form by reading the newspapers and gathering the information there rather than from the Department of Labour.

There are also a number of other publications that I think serve very little purpose. One of them issued by the Department of Labour was entitled, "Two Minutes of Facts" or two minutes of something. It was very poorly received by the workers. Possibly management liked it better but it was poorly received by the workers in the industries with which I have been connected. It seemed to serve very little purpose except that of keeping somebody in a job.

I think a look must be taken at the work of this branch in view of the charges that have been made, with which I am sure everybody is familiar, that it was set up by a former cabinet minister for the specific purpose of keeping track of another department in which he was interested. The hon. member for Essex East is probably quite familiar with this story.

Mr. Martin (Essex East): No, I am not. I was wondering about it.

Mr. Peters: Well, it is a widely circulated charge and I think the government should give some consideration to an examination of whether this department did serve the function of keeping track of another department and, if it did, whether it was worth while to do so.

Many of the publications of the research branch are pretty much a waste of money and the time of those who have to read them. A good proportion of the figures do not seem to serve much purpose. They are out of date when they are received and in the main they are taken from some place else. The staff is not sufficiently large to accumulate these figures and evaluate them.

I think that the research department could serve many functions. The minister has outlined the work that it is doing but there are a great number of things that it is not doing. One of them really does not involve automation but concerns the situation where one industry has disappeared and is not being replaced by other industries. I am thinking particularly of mining where communities have been developed which are dependent on one particular industry. The industry then faces extinction through loss of markets or depletion of ores. No assistance is being given to the workers or employers or the communities generally to help to establish industries that are suitable to the particular geographical area. I think this matter should be a part of the problems of the Department of Labour.

I would refer particularly to pulpwood and logging operations affecting areas such as Kapuskasing, Cochrane and Timmins. These are areas where large year-round labour forces used to be maintained but now the numbers of workers are very small. No assistance has been given to aid in the establishment of new industries or the development through research of something that will replace them so that large numbers of men will continue to be employed.

In some cases technical changes are eliminating work forces and in others the need for certain products is passing. Therefore the employment picture is not the same as it was previously. I think the Department of Labour could do some research in this field, not research with regard to whether people like to use left-handed shovels or right-handed shovels but with regard to whether or not they are going to be able to use a shovel at all.

There is a new trend of workers being unemployed in large numbers over long periods of time with little likelihood of their being re-employed in the same kind of work they were doing a few years ago. I refer to the pulp and paper industry again because for three or four years now we have seen the employment figures dropping. Yet everybody is aware of the fact that as much pulp and paper are being used and that sales of these commodities have not varied very greatly in our export markets. Nevertheless the labour force has decreased very rapidly and the workers do not appear to be coming

back. I think it would be advantageous if research were carried on under the Department of Labour with regard to developing secondary industries and for the purpose of supplying employers and employees with the facts as to what types of industries would be most suitable.

Some of the problems are obviously connected with this matter of diversification of industry, especially as that relates to the city of Toronto. I am concerned mainly with Ontario, and in the city of Toronto there are thousands of new factories being built every year while in northern Ontario, where unemployment is increasing—in fact there would not appear to be any end to this unemployment problem in certain industries—new industries are not being established. No information is made available to help induce some industries to come to areas where their raw materials are more readily available, where a labour force is more readily available than it is in major cities such as Toronto.

I think some consideration should be given by the department to this field. The minister will agree, I believe, that we are not interested entirely in improving the unemployment situation by means of handouts or increasing the benefits given to people who are unemployed, but we are primarily interested in seeing that these people are employed. If the research department is going to do the job which I think it should be doing, working toward creating opportunities for workers to obtain employment, whether it be in new industries or in revamped industries, then the research department should be working along the lines I have suggested. I do not believe this has been the case up to date. I believe the research department has produced the figures it has been asked to produce. I am not suggesting that these figures have been requested by the Minister of Labour. What I am suggesting is that there has been a direction given to this department to produce certain sets of figures, and those are being produced.

I suggest, however, that this should not be the function of the research department. The dominion bureau of statistics should be capable of producing these figures. Perhaps there should be a transfer of this work from one department to the other. It may be argued, and perhaps the Minister of Labour could indicate, that if his department took over the functions of the dominion bureau of statistics they could do a much better job. I do not believe there is room for both departments in this field. These figures should be factual. We should be able to get them from one department. We should not be asked to compare two sets of figures which have a discrepancy of almost 50 per cent.

I should like to see more down to earth research undertaken, that is research that is going to provide jobs for people and which would provide us with information that is not now available. I should like to suggest the type of information that I feel should be available. In northern Ontario we have many natural resources, and many other advantages for increased industrial development and employment opportunities. We do not have the type of information available that is available in other countries. In Norway, in Russia and many of the Scandinavian countries, they have a similar climate, similar mineral and timber wealth to that which we have. They have had experience in industrial development in these areas which are similar to parts of our country in which we have no industry at all except the so-called primary industries. These facts should be available and could be available. I should like to suggest that the minister's department give some consideration to undertaking this type of research and having these figures made available to the Canadian people.

Mr. Pickersgill: Mr. Chairman, the hon. member's rather lengthy intervention has prompted a very brief one from me. We were told by the Minister of Finance, late in June, 1957, that he was going to eliminate waste and extravagance from all the departments of government. It is some time since we have heard much talk about that. Can the minister tell us from which branches of his department the Minister of Finance has eliminated waste and extravagance? If he has, how much has been eliminated?

Mr. Starr: Well, all the hon. member has to do is look through the estimates for the past two years.

Mr. Pickersgill: Has the minister reduced his estimates very materially?

Mr. Starr: We have maintained our establishment, we certainly have not increased any part of it, and we are doing a great deal more work now. We have had the responsibility for a larger winter works program.

Mr. Pickersgill: And for more unemployed.

Mr. Starr: The Department of Labour is not responsible for the unemployed. The Department of Labour looks after the administration of labour matters, and the registration for work is conducted by the unemployment insurance commission, as the hon. member well knows.

Mr. Pickersgill: Is the total number of persons employed reduced? This is statistical information that this research department would have.

Mr. Starr: No, it is not.

Mr. Herridge: I just want to say a few words in support of the contention put forward by the hon. member for Billingsgate just recently—excuse me, I mean Bonavista-Twillingate—with respect to some study to ensure a better understanding of the actual number of unemployed persons in Canada. We have gone on from year to year taking two sets of figures about which everyone has his own opinion.

I have discussed this matter with a number of people because I have been interested in ascertaining why people do not register for employment. In one case I was informed by the man that he knew there was no work available. Another chap told me the work that was available was unsuitable. Another one told me he could not leave home for family reasons. Another one told me he did not register for work because his wife was expecting a baby. Actually another man, on another occasion, said he did not register for work because he wanted his wife to have a baby. Another man told me he wanted to rest for a week or two. Another one was without the funds with which to pay the fare to the place where employment could be obtained. Another one was on a diet and could not leave home; he could not eat in a lumber or mining camp. Another man had insufficient money for the purchase of the clothing required to undertake employment in a mine some miles away. Another man was taking advantage of the opportunity to cut his year's fuel, and so on.

I do believe there should be a very close study made of this question so that, as soon as possible, we can have a figure given to us which would indicate the total number of unemployed in Canada, a figure in which we could have some confidence as representing the facts.

Mr. Starr: I appreciate the remarks of the hon. member very much because I have been giving some thought to this problem of having two sets of figures, and once in a while a third set of figures will be given by other people. This creates confusion. I have been considering having the department work out some new figure that would be more authentic and would be more to the point so that we would all know the exact number of unemployed.

Item agreed to.

[Mr. Starr.]

165. Annuities Act administration, $1,242,512.

Mr. Badanai: I should like to ask the minister a question on this item. Has he given any consideration to increasing the ceiling of $1,200 per year which is in effect now in connection with the annuities that can be purchased by a person in one year? When the Annuities Act was introduced some 20 years ago $1,200 was considered to be a fair retiring allowance for a couple living in a very modest way. Since then, the value of the dollar, in terms of what it will purchase in food and commodities, has dropped to about 50 cents. I should like to hear from the minister whether he is considering allowing people to purchase an annuity of more than $1,200 a year. Would the minister answer that question?

Mr. Starr: No, I am not. I am not giving that matter any consideration.

Mr. Badanai: I should like to ask the minister why not. As a matter of fact, I understand that the Department of Labour are anxious to see these annuities extended to embrace larger amounts in order to cover the necessities of life at the present time. Does the minister think that the value of the dollar today is the same as it was some 25 years ago? By no stretch of the imagination can anyone think that you can now buy for a dollar the same commodities that you bought 25 years ago. I urge the minister and the government to give this matter serious consideration because I think it is of vital importance to the people of the country.

Mr. Brassard (Lapointe): Can the minister tell the committee what is the interest rate paid on annuity? While I am on my feet, I should like to thank him very much for the courtesy he extended to the delegation from Saguenay and lake St. John yesterday when we were in his office to discuss unemployment.

Mr. Starr: The interest rate prevalent now is 4 per cent.

Item agreed to.

167. Civilian rehabilitation branch, including payments to the provinces to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the governor in council, $209,850.

Mr. Roberge: I should like to know from the minister what provinces are participating in this program for disabled persons and what was the amount received last year by each of them?

Mr. Starr: The expenditures for the year 1958-59, up until March 31, 1959, were as follows:

Newfoundland	$6,973.86
Prince Edward Island	1,960.09
Nova Scotia	9,238.65
New Brunswick	11,060.43
Ontario	17,227.41
Manitoba	8,172.61
Saskatchewan	14,017.40
Alberta	8,182.97
British Columbia	3,323.65
Total	$80,157.07

Mr. Roberge: I know that Quebec does not receive anything. Can the minister tell us whether Quebec has ever participated in that program?

Mr. Starr: No. Quebec has not signed the agreement.

Mr. Roberge: Never?

Mr. Starr: It never did.

Item agreed to.

Vocational training co-ordination—

170. To carry out the purposes of the Vocational Training Co-ordination Act and agreements made thereunder; to authorize the Minister of Labour to enter into agreements with any province on terms approved by the governor in council to provide financial assistance to vocational and technical schools and training under youth training projects and to provide for the expenditures thereunder and under vocational training agreements entered into in previous years, including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $9,825,700—Payments to the provinces, $9,525,700.

Mr. Denis: What is the amount of money paid to the province of Quebec under this item? Has Quebec received any money under this item? If so, when? What is the total number of persons who have benefited under this item?

Mr. Starr: The year 1953-54 was the last year in which Quebec participated in the vocational training agreements.

Mr. Herridge: Can the minister tell the committee the amount paid to the province of British Columbia under this item?

Mr. Starr: The amount was $972,717.34.

Mr. Denis: Can the minister tell us the number of persons who benefited under this item? In the details, for instance, we find such headings as training for primary industries and in home-making, foremanship supervisory training and training of unemployed workers. Of course, the minister must have the number of persons who have benefited.

Mr. Starr: There was a total enrolment of 25,670.

Mr. Pascoe: The item reads in part:

—to authorize the Minister of Labour to enter into agreements with any province . . . to provide financial assistance to vocational and technical schools—

There is in Moose Jaw a technical school built by the provincial government. Can the minister say whether the federal government is helping out in the construction of that technical school; if so, how much is the contribution?

Mr. Starr: Yes. We contribute to it to the extent of about $1,700,000.

Item agreed to.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Unemployment Insurance Commission—

172. Administration of the Unemployment Insurance Act, including expenditures incurred in connection with other duties and responsibilities assumed and carried out as required by the governor in council on the recommendation of the Minister of Labour in accordance with section 4 of the act, $35,179,000.

Mr. Martin (Essex East): I should like to ask the Minister of Labour if he could bring us up to date with regard to the advisory committee set up under the Unemployment Insurance Act. As the committee knows, three representatives of labour on that committee resigned over an appointment made by the government to fill a vacancy which arose on the unemployment insurance commission. When Mr. Tallon retired, Mr. MacArthur was appointed by the government. The representatives of labour resigned because it was felt that there had been a failure on the part of the government to comply with the provisions for consultations contained in the act. Accordingly, three of the labour representatives resigned—Mr. George Burt of the United automobile workers, Mr. Marchand of the Catholic syndicates and Mr. Andreas who, I believe, was the representative on the advisory committee of the Canadian Labour Congress.

I should like to ask the minister if he has taken any steps to meet with the labour representatives I have mentioned with a view to their resuming their functions on that committee and whether, if he has taken such steps, they have agreed to return. If not, will the minister tell us whether he has taken any action whatsoever with regard to them and, if the answer is in the negative as I gathered the other day it will be, what steps has he taken to fill the vacant position on the advisory committee. I am sure the minister will appreciate the importance of the

advisory committee being able to function at full strength at the present time, particularly in the face of representations which are now being made to a committee of this house and of discussions which have taken place in this house and which will take place later when the committee makes its report. It seems to us there should be no delay about either asking these gentlemen to return to their functions after withdrawing their resignations or, alternatively, re-establishing the full quota of labour representatives on the advisory committee. I think the minister owes this committee the fullest information he is able to give us.

Mr. Starr: For the information of the hon. member for Essex East, the unemployment advisory committee is composed of four representatives of the employees, four representatives of the employers, and a chairman. This committee meets once a year to consider the actuarial report to the unemployment insurance commission on the state of the fund, at which time they make a report to the governor in council. That report is tabled in the House of Commons as prescribed in the act.

As the hon. gentleman knows three of the workers' representatives resigned. However, the term for the whole committee expires on June 27 of this year, and with this in mind I have written letters to the four representative employers organizations asking for either the resubmission of the nominations of the present serving members or for new names for consideration. I have also written letters to the workers' organizations. I have written to the Canadian Labour Congress advising them of the fact that there are three vacancies and that the term expires on June 27 and asking them for the submission of names. I have also written to the Canadian Catholic federation of labour pointing out the same thing and asking for names. I have written, further, to the national legislative committee of the railway brotherhoods. In these letters I requested that names should be submitted to me by May 22, that is tomorrow. I have received word from the Canadian Labour Congress that Mr. Jodoin has been away on business, but he will be back tomorrow, so I expect names will be submitted to me for consideration.

Mr. Martin (Essex East): The minister says the committee meets once a year. I think the act provides that it shall meet once a year, but he may recall that once, in 1958, it actually met on two occasions.

Mr. Starr: I can clarify that point. The committee does meet once a year, and I have set out the purpose for which it meets on that occasion, but it may also meet at the request of the minister at any time the minister may wish to consider certain amendments to the act.

Mr. Pickersgill: And at the request of the commission.

Mr. Martin (Essex East): Yes, as the hon. member for Bonavista-Twillingate points out it may also meet at the request of the commission. Can the minister say whether or not there have been any meetings of the advisory committee since the introduction of amendments to the Unemployment Insurance Act?

Mr. Starr: There has been no meeting of the advisory committee since August 19, 1958.

Mr. Martin (Essex East): Was there any consideration given to the request of the labour representatives who resigned, prior to their resignation, for the holding of a further meeting other than that held on August 19, 1958?

Mr. Starr: That was a matter for the decision of the chairman of that advisory committee.

Mr. Carter: Before this item carries I should like to take a few minutes in which to make some observations about unemployment insurance benefits for fishermen. Recently we have heard statements over the air by commentators, and we have read articles in the press, which have been phrased in such a way as to create in the public mind an impression that one of the big factors in the drain on the unemployment insurance fund has been the inclusion of fishermen within the scope of the Unemployment Insurance Act. I think that such statements require an answer. In reply to the hon. member for Kent (N.B.) the minister put on record some time ago—and I am referring to page 3146 of *Hansard*—that during the period between June 30, 1957 and March 31, 1959 payments out of the unemployment insurance fund amounted to $782,794,595, while at the same time, contributions amounted to $426,316,719. In other words, during that period the unemployment insurance fund paid out $365.5 million more than it collected.

To mention this in the same breath as saying that benefits are now being received by fishermen is to convey a very wrong impression to the people of Canada. I do not know what the exact figures are—perhaps the minister could put them on record—but I do not think that the payments to fishermen amount to more than $10 million

a year in excess of the total of the contributions received. In other words, why focus so much attention on about 3 per cent of this drain and say nothing about the other 97 per cent?

That is what is being done by certain writers in the daily papers and by certain people who have access to the air waves over our broadcasting stations. In addition to that it has been stated that now the fishermen are included this fund is no longer an insurance fund but has become a welfare fund. There again it seems strange to me that fishermen should be singled out for this distinction because if it is a welfare fund now it was a welfare fund long before any fisherman got any benefits from it.

All the people who are employed on the great lakes know that they are going to be out of work during the winter. That fact is a certainty. They were included years before the fisherman was included. If it is a welfare fund for the fisherman surely it is a welfare fund for them. The same applies to all the stevedores along the great lakes' fronts, along the St. Lawrence seaway and to the people employed in our canals and at the Montreal and Toronto docks. It is true as well, in some instances, of those employed in the forest industry. All those people were included long before the fisherman was included and nobody said a word about the insurance fund being turned into a welfare fund. It is strange that now, because a few fishermen have at last been admitted, a hue and cry has been raised and severe criticism expressed of the fact that fishermen are at last eligible for insurance.

Some of the most severe critics of the extension of insurance benefits to fishermen have been mainland firms and organizations such as chambers of commerce and the Canadian Manufacturers' Association. I should think that the Canadian Manufacturers' Association should be the very last to make any comment on this question—

Mr. Starr: Mr. Chairman, may I interrupt the hon. member for a moment. I believe he is right in saying there has been a great deal said about what the inclusion of fishermen has cost the fund. To put the record straight I must say that fishermen came under the unemployment insurance act on April 1, 1957. From that day until March 31, 1959 the inclusion of fishermen cost the fund a total of $13,880,000 over a period of over two years.

Mr. Carter: Over two years it has cost less than $14 million and this has been receiving adverse publicity in publications put out by chambers of commerce and by the Canadian Manufacturers' Association and over the air. I thank the minister for setting the record straight in that respect.

These manufacturers in complaining and criticizing the inclusion of fishermen are saying in effect that it is all right to include the people who manufacture the fish, the people who process it in plants, the people who convey it from the boat and weigh it and carry it to the plants and ship it to the markets; in fact, it is all right for everybody who handles the fish to get unemployment insurance benefits. On the other hand the poor man who has to go out and risk his life and undergo the most severe hardship and danger should not be included. They are saying in effect that it is wicked and wrong for him to get unemployment insurance benefits. Surely the critics of this should reorient their thinking. In my opinion the fisherman has a greater claim to benefits than any of the others because he produces the raw material which provides not only the employment but the opportunity for all the other people to get benefits and also the opportunity for the manufacturer to make a profit.

It has been said that the contributions of fishermen are very small in comparison with the benefit period. I saw in a publication a statement to the effect that a fisherman can get benefits for 5½ months. It is true that he can, but so can everybody else who qualifies for seasonal benefits. These people should know that the number of weeks of benefit a fisherman gets depends on the number of stamps he has. In Newfoundland this year the majority of our fishermen did not earn enough stamps to get benefits at all. I suppose that approximately 60 per cent or 70 per cent of our fishermen could not qualify because they could not acquire sufficient stamps. Another 30 per cent got the bare 15 stamps and as a result of that received benefits for ten weeks. The average benefit period for seasonal unemployment is less than 15 weeks or thereabouts.

When these manufacturers and chambers of commerce wax indignant about the fisherman receiving benefits and when they draw comparisons between the amount the fisherman contributes and the amount he draws out, I should like to remind them of this. The fisherman is a taxpayer. He pays sales tax on everything he buys. In addition to that he contributes his share to the benefits that are paid to all the people who secure employment because of the product he produces. These people must be very naive if they do not realize that all of this comes out of the price paid to the fisherman for his fish and he, being the low man on the totem pole, has to carry that burden.

I would ask these people to examine their consciences collectively and individually before they continue pointing fingers at the fisherman. If they are honest with themselves I believe they will come to the conclusion that they themselves by their own actions in laying off men unnecessarily have put a far greater drain on the fund than that represented by all the fishermen who may draw benefits for many years to come.

While on this subject I should like to remind the minister that we were promised some time ago that the part of the act which applies to fishermens' benefits would be revised. We have not heard from the minister concerning when he expects to do something about this. He must know now that there are serious inequities in the way the act is administered and that some revision is long overdue. As the act stands at present some fishermen can never draw benefits because their greatest period of activity is during the winter season and the stamps they earn at that time cannot be counted for benefits during the slack period of the fishing season. I hope the minister will be able to assure us that the government does intend to overhaul this legislation and revise that part of the act which relates to unemployment insurance benefits for fishermen.

Last year I made several suggestions to the minister about the administration of unemployment insurance benefits. As I went about my district I was glad to observe that the minister took some of my suggestions seriously and put them into effect which fact was very much appreciated by the fishermen.

I should like to elaborate now on a suggestion that I made a few days ago to the minister about people who pay into the fund for five consecutive years without drawing any benefits at all. I suggested that there should be a maximum period for people who are never going to be out of work and who pay continuously all throughout their working life. I should like to amplify that by citing the case of a foreman. It is often the case that a foreman starts out on an hourly wage rate and after a few years is transferred to a salary basis. His income then rises above the level which permits him to continue coverage under this act. I am told that in such cases his insurance book is valid for only 90 days after his transfer to salary. Should he get out of work he cannot receive any benefits at all from the contributions that he has paid in for five years. That seems to me to be very unfair.

Mr. Starr: May I just give this information? The stamps and book are good for two years.

[Mr. Carter.]

Mr. Carter: Are good for two years after the man has transferred to salary?

Mr. Starr: Yes.

Mr. Carter: Or after his salary rises above the permissible level of income?

Mr. Starr: That is correct.

Mr. Carter: I am very glad to have that information because it is not generally known. I am also told that after the two-year period expires and this man gets laid off and has to be re-employed at an hourly wage rate he has to start all over again and build up his contributions from scratch.

Mr. Starr: May I interject again? I personally paid into the fund for 10 years and I was very happy that I did not have to collect anything from the fund, and that time has expired.

Mr. Carter: I am glad that the minister was able to pay into the fund for 10 years, but the minister was fortunate enough not to be laid off and have to look for work. I would point out to the minister that when a person is out of work it does not matter too much whether he is on an hourly rate or on a salary rate; his need is just as great and there should be some coverage. Therefore, I would suggest to the minister that he should take another look at this five-year period to see whether something more equitable could not be worked out for people who have paid for a full five years or seven years, or whatever the minister or his advisers may decide, and give them some special consideration.

Before I sit down there is just one other point I want to bring to the minister's attention. It arises from the experiences which I have encountered from a number of my constituents. The applicant in an isolated community, particularly in my province, has to send his application in by mail. Now, his application can be lost in the mail. It can also be received in the office and be mislaid by some of the commission's employees. In both of these cases the applicant must prove, and must very often go to considerable inconvenience to prove, that he actually sent in his application. Some discretion should be given to the managers of the offices in the various regions in such cases because, it seems to me, the applicant has no protection if a clerk in the office loses his book. All he has to say is, "Well, I did not get it; it was not received". The poor applicant is put to untold inconvenience. The postmaster may mislay it or it can get lost in the mail somewhere and the applicant has to suffer the whole burden of the inconvenience. I do hope that some way can be worked out under which the benefit of the doubt can be given to cases such as these.

Mr. Pickersgill: Mr. Chairman, first of all I should like to say that I endorse completely everything that my hon. friend from Burin-Burgeo has said about unemployment insurance for fishermen. I do think that this apparently concerted publicity campaign by some people in more favoured and protected industries against the fishing industry is one of the most unwarranted and unfair things that I have seen in a long time. I am very grateful to the minister for his intervention in the debate to indicate that he agreed with us about that. After all, this is an industry that has to stand on its own feet. And worse than that, it competes without any subsidy in world markets against half a dozen countries where the fisheries exports are subsidized. The fishermen have to buy in a protected market. I will not elaborate the argument which was made very well by my hon. friend from Burin-Burgeo; but there are one or two particular observations that I should like to make very briefly about the administration of unemployment insurance, particularly unemployment insurance for fishermen, but not exclusively that. It is much more the administration, generally speaking, in remote areas where it has to be done largely by mail.

But before I do that, in view of some of the extraordinary history we have heard this afternoon, I should like to say how proud we are on this side of the house that it was a Liberal government that, after struggling for three years against the Tory premier of Quebec, and finally getting him defeated, was able to bring unemployment insurance on a constitutional basis into operation in this country. All the improvements that have been made in this legislation over the years, except one or two that have been suggested very recently that we do not think were improvements, were also attributable to a Liberal government.

Having said that, I come back to one or two of the small flies in the ointment, and a very good ointment it is, too. The first thing I should like to say is something that I thought would have melted the heart of the minister long before this. I have written him on several occasions, as he will recall, about cases where young men who had got enough stamps to get unemployment insurance were denied unemployment insurance because they went back to school. Now, I do think, this is the kind of provision that gets put into legislation in prosperous times. It is quite obvious that in times of full employment unemployment insurance is not intended to be used as a kind of income while someone completes his education; but it does seem to me that in times when unemployment is great and employment is slack it is a terrible social waste to say that because a young man goes to school instead of hanging around at home when there is no work available, his unemployment insurance is cut off. I am sure that this would not require —I should not say "I am sure" because I am not a lawyer and I have not examined the act carefully—I very much doubt whether this would require any amendment to the act; I think it would merely require an amendment to the regulations. I appeal to the minister once again to take these cases under consideration, and not merely to take them under consideration but to get his colleagues to act and do something about them because it is hard to think of anything more wasteful than saying to these young men, "you have to stay out of school in order to get your unemployment insurance; if you go to school you have no right to unemployment insurance." This happens, of course, more often in a seasonal occupation such as fishing, perhaps, than in some others.

The other difficulty I mentioned the other day and I should like to reiterate it. It is this. There is a very strong feeling about this, and I think it is a justified feeling about placement disabilities. As I said, I do not want to criticize the officials because I have nothing but praise for the officials with whom I have anything to do. I think they are doing their best; but in a province like Newfoundland there is a real problem because of the poor communications and the great distances from the offices. There is unquestionally a tendency when jobs become available to give them to those people who are handy to the offices rather than to others who, though they may have been unemployed a great deal longer, are more remote from the offices. I do not say that the ones that are remote should get preference over the others, not at all, but it does seem to me that in some way or other there should be equality in a matter of this kind. I hope that the minister will give the matter some consideration and will get his officials to give some consideration to trying to work it out.

I also want to appeal again to the minister to have more peregrinating officials in provinces like Newfoundland. It is a very great problem to explain things by letter. I have received a lot of letters, as the minister knows, and I have sent a few to him. I have also sent a lot to the chief commissioner who has always been most considerate with any of these letters and has gone to a lot of trouble over them. But it is very hard for many people to understand and explain all the complications that arise as between seasonal benefits and regular benefits and the number of stamps that are required and it does happen at times that mistakes are made quite inadvertently in the offices. That is why, when

it takes a week for a letter to come back and another week for a letter to reach the office, people get discouraged.

Sometimes these people go for months without the insurance payments to which they are entitled. They have to go on relief. They spend the relief money and when they finally get their insurance money the welfare organization wants repayment of the relief money. This creates all sorts of unnecessary social problems.

Mr. Starr: If I may interrupt, I think we can overcome some of the problems the hon. member has mentioned. As you know, we have appointed agents now who are sufficiently trained to carry out the function of filling out claims on behalf of people so that there is no delay involved in letters going back and forth through the mails. If the hon. member knows of areas in his riding where he thinks there should be an agent appointed I will be glad to do so if he will let me know.

Mr. Pickersgill: I am not going to take the time of the committee or the minister now. I will be very glad to talk about that privately. The minister will understand that I do not want to mention some places in my riding without mentioning them all. I promised the Minister of Public Works that I would not give the names of all the places in my riding this evening. That was a private undertaking but I intend to keep it. But there is one other point. While it is very useful and important to have claims offices, I have been very much interested in seeing the minister make provision for job officers who would travel around—

Mr. Starr: We established two new offices in your riding.

Mr. Pickersgill: I think the offices the minister established were for the purpose of dealing with claims, not for the purpose of providing jobs.

Mr. Starr: They have placement officers there.

Mr. Pickersgill: In my riding?

Mr. Bell (Saint John-Albert): Why don't you take a trip down there and find out what is going on?

Mr. Pickersgill: If the hon. member for Saint John-Albert would like to come to my riding with me any time I would be very happy to take him around. He would soon find out that I am fairly well known in my riding, probably just as well known as he is in his.

[Mr. Pickersgill.]

Mr. Bell (Saint John-Albert): The hon. member said in the first election in which he ran that he was going to move into the riding and I notice that he has not established residence there yet.

Mr. Pickersgill: Well, sir, I do not know whether you will permit me to reply to the hon. gentleman but what he has stated is completely incorrect and I have tried to choose a word that is parliamentary. Whenever my constituents complain about my conduct I will be impressed but as long as the complaints come only from the hon. member for Saint John-Albert I will be impressed rather differently.

The Chairman: I believe we should discuss the labour estimates.

Mr. Pickersgill: I am labouring to get back to the point. My point is that I feel a more decentralized effort should be made in certain of the provinces in the field of placement as well. It seems to me that I should not take any more of the time of the committee.

Mr. Herridge: Mr. Chairman, I was very glad to hear the hon. member for Bonavista-Twillingate speak of this group's efforts to bring to the minister's attention the wisdom of permitting university students, those who can obtain technical training—

Mr. Pickersgill: And schoolboys too.

Mr. Herridge: —nurses and others who might attend business college to attend these institutions during the time they are drawing unemployment insurance if during that period they would otherwise be simply unemployed and idle. I agree with what the hon. member said. I think it is stupid and socially wasteful to allow our young people to waste their time when we can assist them to that limited extent without any additional expense to the exchequer.

I want to bring to the minister's attention again the question of covering defence personnel by bringing them under the Unemployment Insurance Act. I brought this matter up in the veterans affairs committee and found out that the high officials of the defence department made the decision. Personally I do not see why senior officials of the defence department should decide whether or not other ranks in the armed forces should come under unemployment insurance. I have a number of cases in mind of men who came out of the armed forces during the last 18 months and who have been unemployed for long periods because they have been out of contact with work in the area, out of contact with employers and so

on. I do urge the minister to give consideration to bringing at least the other ranks in our defence forces within the scope of this act.

I agree with what the hon. member for Bonavista-Twillingate had to say with respect to the local administrative officers having more opportunity to move around the districts they serve in order to meet employees and employers and so that the employees will have a better understanding of how to complete these forms when they become unemployed and will also have a better opportunity to be aware of the job opportunities throughout the district.

Having made these few remarks, I wish to deal particularly with the question of the inclusion of farm workers under this legislation. I started to expand upon this subject in the debate on second reading of the bill to amend the Unemployment Insurance Act. However, Mr. Speaker clipped my parliamentary wings on that occasion so that I have got to do it at the proper time, which is now. I know that the minister is fully informed of the situation but I promised the farmers of my constituency that I would bring up the matter at every opportunity and I look upon this as another opportunity. I should like to tell the hon. gentleman that I am not in the habit of speaking in the house for the sake of gathering votes.

The farm organizations of British Columbia, including the British Columbia federation of agriculture, the British Columbia fruit growers association and others, have expressed their opinion concerning this matter. It is a problem to the farmers. These organizations have expressed their opinion by resolutions passed at annual conventions year after year but so far without result. I realize the difficulties surrounding the problem. It is somewhat more complex than servicing an industry where you have workers working eight hours a day within a certain area, under certain foremen and things of that sort. I know there are differences but for the life of me I cannot see why these difficulties cannot be met through satisfactory regulations.

The average farmer is placed in an unfair position compared with other employers because when he wants to get casual or temporary help the prospective employee has two choices. He can go to work where he is covered by unemployment insurance or he can go to work for the farmer. Naturally he is going to choose the job where he is protected by unemployment insurance and can earn the stamps while he is working. For that reason, at various times and particularly during certain seasons the farmers have difficulty in getting labour, particularly in a region such as ours where they have to compete against the lumbering industry, the mining industry and the smelting industry whose scales of wages are somewhat higher than the average. I do think that this matter should be given further consideration and I believe that regulations could be drafted that would exempt the farmer's family. This regulation could be so drafted as to confine the coverage to persons outside the family who were employed by the farmer for particular work.

There is another matter that I want to mention which does affect farmers who do employ persons under circumstances that do not bring them within the terms of this act. I have had this matter mentioned to me by farmers on a number of occasions. They claim that the definition of persons who can be brought under this act when working for farmers is not clear enough. I wrote to Mr. James McGregor, director of the unemployment insurance commission, in connection with this matter on March 18 last. He replied to me as follows:

> This is in reply to your letter of 16th March to Mr. E. C. Desormeaux, secretary of the unemployment insurance commission, with reference to the insurability of certain types of labour on farms.
>
> Employment in agriculture is excepted by section 27(a) of the Unemployment Insurance Act. However, it was considered desirable to preserve the continuity of insurance for skilled tradesmen who ordinarily work in insurable employment when they take employment in their regular trades on farms. As it is not very practicable for a farmer to arrange to insure employees for only a day or two of casual employment, this provision applies only when a skilled tradesman is engaged for more than six days in any period of thirty consecutive days.
>
> I hope this general statement will be helpful to you. However, it might be advisable if you receive specific enquiries about this to refer your correspondent to the local office of the commission which serves his area. In this way it is more likely that he will get complete and up-to-date information based on the circumstances in his particular case.

My point is, Mr. Chairman, that I have discussed this matter with the local officials of the unemployment insurance commission, with the officials in my own district, and they have said, if you want clarification you must write to the senior officials in Ottawa. I have done that, and they have referred me back to the local officials in the constituency. There is a great deal of ambiguity on this question. I want to suggest that there should be some clear definition as to who can be covered by unemployment insurance when working for a farmer.

I want to know if you can cover a man who is clearing land? He is doing identical work to that of the man working in the woods. He is not regularly employed in the production of crops or assisting in the raising of stock. Can you insure a man who is assisting in the building of dams for irrigation

purposes? Can you insure a man who is erecting a fence, and who has particular equipment for erecting fences? He comes along with a truck which has pulleys, winches and things of that sort on it. Can you insure a man who is grading roads on your property? Some farmers have miles of road to be graded with mechanical equipment. Can you insure a man who is installing a water system? He is not a plumber; he is not a skilled tradesman, but he has had a lot of experience putting in water systems and provides a very satisfactory service. Can you insure a person who is cutting fuel? Now, this is an operation that is more akin to a forestry operation. He is not working on the farm, he is employed with a power saw to cut you 50 cords of wood for next year.

I am one of those persons, who live under rather primitive conditions compared to most of the sophisticated members of this house. I ask these questions because they have been particularly brought to my attention by farmers in my district. It would assist farmers generally if there were a clear definition. In my opinion, there should be a clear identification of the persons who are covered and who are employed by farmers. I am quite sure there are many farmers who have lost opportunities to obtain the services of a particularly competent person because the farmer and the employee were both of the opinion he was not covered under the act. I should like the minister to give us some information on this subject. I see he is chatting with his officials and is probably bubbling over with information at this time.

I should like him to tell us, first of all, his opinion as to the possibility of allowing university students, technical school students, students at business colleges, nursing schools and so on, to be covered by unemployment insurance to which they are not entitled now while attending these schools. I should like his opinion about the coverage for these people who work for farmers. I am not much concerned about those who are not in the working ranks. I have always been concerned about the working man, being one myself. I should like his opinion on the possibility of having farm workers generally included within the terms of the act, and what he can suggest with respect to having a clearer definition of the persons who can be employed on a farm now.

Mr. Starr: Mr. Chairman, the hon. member for Bonavista-Twillingate and also the hon. member for Kootenay West asked me about the coverage for students attending schools or universities.

Mr. Pickersgill: Or ordinary schools.

[Mr. Herridge.]

Mr. Starr: Well, this applies to them. One of the requirements to be fulfilled in order for a person to be eligible for benefits is that he must be available for work. It is this requirement that students are usually unable to meet. The umpire, who is the final authority under the act, has ruled that in the case of full-time students there is a strong presumption of non-availability. This presumption can only be rebutted when the student demonstrates his primary interest is in obtaining immediate full-time employment.

If, for example, a student has incurred substantial expense in attending a course, such as fees, it may be taken for granted his primary interest is in pursuing the course. If, on the other hand, he was prepared to change to evening classes, where those are available, he may be considered as being available for work or being eligible for benefits. Generally the claimant who, while unemployed, occupies himself by taking short courses at a time when opportunities of suitable employment are not likely to develop until after the course is completed may be available for work. It will be seen from what I have said that each case has to be decided on its own merits.

Mr. Pickersgill: If the minister would permit me a question on that point, I would say that the first case I drew to his attention was the case of a young man in Newfoundland, and it cost him absolutely nothing to go to school. He could have quit school the next day and yet the decision was adverse. I have had a good deal of correspondence about that case with the minister. I have had no case in which there was any question of anyone being put to any expense, yet all these applicants have been turned down. It does seem to me that there should be some redefinition of the regulation because, certainly in Newfoundland, it does not seem to work very well.

Mr. Starr: I am going to look into the whole situation because I must admit that I have sympathy with the hon. members on this point.

So far as the farm employees are concerned, over the past few years there has been a tendency toward more farm labour coming under the provisions of the Unemployment Insurance Act. There have been difficulties. The farm organizations themselves were not sure that they actually wanted to be brought under the Unemployment Insurance Act. There were segments of the agriculture economy in which opinion was against it. There were other segments, particularly the fruit growers in the Okanagan valley, the Annapolis valley and the sugar beet growers, which were anxious to come under the act. We have studied every possible form of

coverage, universal coverage, territorial coverage, and at the moment we are studying what I consider to be a feasible plan, that is inclusion on a voluntary basis.

In other words, if a farmer finds himself unable to obtain employees to work on his farm but there are some available and the only reason they will not accept his employment is that he has not unemployment insurance coverage, then he may be able to be registered as an employer and to obtain that coverage. That might be the start of the inclusion of the farm employees. As I say, we are at the moment giving study to this matter. This study of the inclusion of farm help has been going on ever since I have taken office, I might say, but because of these difficulties and because of the change of mind by the industry itself, so to speak, there has not been brought about a more rapid solution.

Mr. Herridge: Would the minister mind commenting on the present ambiguity with respect to who is covered as farm labour?

Mr. Starr: Section 61 of the Unemployment Insurance Act has to do with the matter. It covers skilled tradesmen employed by farmers. The act applies only to skilled labour, tradesmen who are employed by farmers for a short period of time; I believe it is 60 days.

Mr. Herridge: What is a skilled tradesman? The minister must understand that nowadays a man turns up with a hammer and saw and says "I am a skilled tradesman". What is the definition of a skilled tradesman?

Mr. Starr: There is not a clear definition of that category. It is supposed to include carpenters and other people whom the farmer might hire to work on his farm doing repair work or in the construction of buildings and so on. There is no clear definition. That is one of the things that probably will be cleared up when we look into the possibility of including farm labour under this act.

Mr. Herridge: This matter is of a good deal of importance to the people in my district. Would a man who came on your premises to clear land and said, "I am a skilled logger and I take contracts to clear land on farms on occasion" be a skilled tradesman?

Mr. Starr: I doubt that very much. I would not think so.

Mr. Herridge: I should like the minister to tell that to the loggers in my district.

Mr. Martin (Essex East): Before this item carries I want to make reference to one matter. There have been many issues between the Minister of Labour and myself and hon. members in the past few weeks but I should like to thank the Minister of Labour for resolving a problem which was of great concern to a number of my constituents during this past year. Some of them had been called upon to pay fairly large sums of money back to the unemployment insurance commission. These consituents came to me and I decided that under the law these impositions had been exacted illegally. I took the matter up with the commission and they told me finally that they agreed with the decision I had taken but that they had no authority to return these monies to the individuals concerned. The commission also stated that it did not propose to demand payment of others who had not made the payment in accordance with the demands previously made on them by the commission. This matter was finally taken to the minister and he decided that as the impositions in the first instance were unjust it would be unfair to fail to return the monies to those who had already paid just as it would be unfair and illegal to demand payment of those who had not paid. I want the minister to know that notwithstanding the vigorous character of the issues between himself and those of us on this side of the chamber and in particular myself, I appreciate his resolving this problem which has meant so much to a considerable number of the men in the factories in Windsor whom I have the honour of representing in this house.

Mr. MacEwan: I have just a few remarks to make on this matter. It is a matter of which the minister has knowledge now but I believe it will bear repetition. I listened with interest to the remarks made by the hon. member for Kootenay West. Of course, I always enjoy them. Off the record, may I say this. He mentioned the fact that he did not speak to gain votes. I am sure that his winning ways and pleasant personality are responsible for doing that.

I wish to refer to a submission made to the Minister of Labour by the United Steel Workers of America, local 1231 of Trenton, Nova Scotia with regard to a certain part of the Unemployment Insurance Act. Many of the members of this union are employees of the Eastern Car Company which builds railway cars. As a result of this type of employment, it quite often happens that the employment is intermittent as orders come and go throughout the year. As to the payment of benefits under the act, as is known, under the act the average of the last 30 weeks is taken. In this case, the employees of this particular industry, who number close to 1,000, are at top production pay on the high rate by way of contributions but because the work is intermittent as I have said—that is, they are

called in on a certain day and are laid off on a certain day—they are given a small stamp. As is known, four small stamps, in the course of this contribution, place the contributor on the lower benefit scheme.

The submission which was made by this union or by its local branch to the minister, of which I have knowledge, was to the effect that if a change could be made in the act—and it would probably apply to other types of workers in Canada—to the effect that if 51 per cent of the higher stamps for the past 30-week period was used as a medium it would give them an opportunity then to receive the higher benefits. As I have pointed out, when they are working, as a result of their earnings they pay on the higher bracket but they do not receive the benefits on that rate scheme.

Last year a submission was also made to me by this same union with regard to the matter of an increase in the benefits paid to the contributor. I spoke at that time and without commenting on the act which is now before the House of Commons and is in committee, and in which an increase is proposed by the government—certainly not brought about by any advocacy on my part, but by the wisdom and the efficiency of the Minister of Labour and of this government, of course—I hope that as a result of the few words that I have said this evening on this matter, perhaps the same desired results will be obtained.

Mr. Carter: I want to mention briefly one or two points which slipped my mind when I had the floor a little while ago. First of all, I want to take one parting shot at those manufacturing firms in central Canada and remind them that every cent the poor fisherman is going to get from the unemployment insurance fund will come right back here into their own pockets because they have a protective market and we are their prisoners. Therefore I hope they will think twice before again objecting to benefits for the fishermen.

There are two other points which slipped my mind when I had the floor just now. The first one is this. It is my understanding that if an applicant sends in an application for regular benefits and if he has not qualified he must submit another application for seasonal benefits. I would ask the minister if something could not be done, particularly in the case of fishermen, so that only one application would be necessary.

The other point I wish to make concerns fishermen, particularly fishermen from Newfoundland who leave their homes and fish on ships sailing from mainland ports. These men are away from their homes for ten months out of the year, but on some occasions during the off season when the ship is under refit or for some other such reason they come home, and during that time they draw unemployment benefits. However, occasionally it happens that a trawler in a nearby port is shorthanded, and a company applies to an employment office in St. John's, informing the officials that this fisherman is home. Under these circumstances the man has to leave home and take the work offered to him or be disqualified from benefit. It seems to me that some special provision should be made in the case of people who work away from their homes for long periods of time, and I ask the minister if he would give his attention to making some special provision to meet this type of case.

Mr. Tucker: The government intends to raise the contribution but fails to increase the benefits. In other words, the fishermen, the labourers and the workers will now be required to pay more of their meagre earnings for stamps to qualify them for the same amount of benefits. The new provision allowing a full claim for 52 weeks of benefit does not really mean much, as a claimant would only get value for the amount of stamps he has to his credit and fishermen and other workers barely get enough stamps each year to qualify for seasonal benefits, so this benefit is of no value to them or to the many. It will only benefit a few. Some of the benefits paid are ridiculously low, $6 or $8 a week. What can a person do on such an amount these days?

Section 46 (2) cuts off some of the benefits from the claimants. For example, when a claim expires at a full week the subsequent claim begins on a previous Sunday so eventually a claimant receives benefit for a full week. For example, a claim expires on Wednesday. A claim is put in for Monday, Tuesday and Wednesday. A subsequent claim begins on Sunday of that week, so later the man is paid for Thursday, Friday and Saturday. Thus he gets the benefit of the full week. Under this new amendement a claimant will not receive any benefit for Thursday, Friday and Saturday because his subsequent claim will commence only on the following Sunday, so he has no claim in existence for Thursday, Friday and Saturday of the week, whether or not his claim expired on Wednesday, so he loses benefits. This boils down to the fact that both claimants and employers have to pay more to the fund in order to get the same benefits out of it whereas the government is not contributing any more than it did formerly. The workers must pay all the time.

Many fishermen in Newfoundland are disturbed by changes in the unemployment insurance regulations providing for the compulsory deduction of 25 per cent from gross earnings before calculating earnings for

insurance purposes. Would the minister explain why this change was made and what advantages there are for the fishermen?

Mr. Starr: The change in the regulations was made in November, 1958. Many changes were made at that time to try to remedy the anomalies which existed. In doing that we created anomalies, also, and one of them is this one and right at the moment we are considering it.

Mr. Pickersgill: I am glad the minister is doing so.

Mr. Brassard (Lapointe): I have two questions I should like to put to the minister. I understand that many civil servants employed by the provincial governments have been brought by those governments within the benefits of the Unemployment Insurance Act. I should like to know how many provinces have placed their employees within the scope of this act, and what are the conditions for taking such action?

Should Quebec not be participating, I wonder whether the minister would consider, writing a friendly letter to a friendly government, not to put the hammer over the heads of the Quebecers but to invite them to participate in the benefits of the Unemployment Insurance Act.

Mr. Starr: The civil services of all the provinces except Quebec are included, and I have taken note of the hon. member's suggestion.

Mr. Pickersgill: Will you file it?

Mr. Hellyer: I wonder if the minister could now give me the information about the Winnipeg office for which I asked him the other evening.

Mr. Southam: Coming from a rural constituency I am interested in the problem of unemployment insurance in relation to farm labour, and I thought I should make a survey to find out information which I could pass on to the minister.

Several weeks ago I wrote to all the reeves and councillors in my constituency asking them pertinent questions and seeking their views on this matter. I have had a good cross-section of opinion. All of them with the exception of one, Councillor Reid, have written me saying that they feel that farm labour should come under the Unemployment Insurance Act. I just thought I should pass this information on to the committee, feeling this is a good cross-section of opinion in this particular area.

Mr. Starr: I should like to reply to the hon. member for Trinity and to congratulate him on the very good speech he made to this committee on the matters with which he dealt last week. This has to do with mechanization in the prairie region. An installation on a trial basis was made last year and the results obtained have justified the continuation of the experiment. Hon. members will appreciate that with the complexity of this operation and the speed which must be achieved and maintained several bugs were encountered. These are however being overcome and it is hoped that the final results will not only provide the best service possible to claimants but will also lessen costs. Because this is still in the nature of a pilot installation, the commission is not in a position to determine what the ultimate staff requirements will be in the regional and local offices of the prairie region at the present time. It is expected there will be a saving in this connection.

The machine installation consists of multicontrol reproducing punches and standard interpreters in all mechanized local offices, which are 14 in number. The yearly rental for this equipment is $37,800. At the regional office there are 24 machines consisting of Univac electrical computers, tabulators, collators, verifiers, sorters, etc., and the yearly rental for this equipment is $50,520. The total rental for equipment is $88,320. Special forms are required for use in this equipment and the cost for 1959-60 is estimated at $140,000. These forms, of course, replace standard forms used in the non-mechanized officers of the unemployment insurance commission. Furthermore, if and when mechanization becomes universal, forms will be purchased at somewhat lower prices than for the pilot operation.

Mr. Rapp: Mr. Chairman, I should like to take advantage of this opportunity to bring to the attention of the Minister of Labour the case of the farm labourer and in particular I should like to plead for the western farm labourer. Our agricultural industry in the west is rapidly becoming mechanized and because of this it is difficult to obtain labour to run the machinery. It takes a skillful labourer to run these machines. As a result of mechanization the farm labourer has become a seasonal worker. I believe the farm labourer is the only one not now covered by the Unemployment Insurance Act. The fisherman is a seasonal labourer and he is covered by this legislation.

I should like to thank the minister for informing us that studies and research have been done along these lines but may I point out to him the urgency of having the farm labourer brought under the provision of the Unemployment Insurance Act.

Mr. Hellyer: Mr. Chairman, first of all I should like to thank the minister for his complimentary remarks about my earlier effort on the subject of rehabilitation of

displaced workers. I hope that he and the department will give my recommendations serious consideration and I would be pleased if they would implement some of my recommendations in whole or in part.

I should like to sound a warning at this time with reference to mechanization in the unemployment insurance commission. Machines that will streamline the operation and make it more efficient are desirable but machines and procedures that treat people as statistics are undesirable. I know that the minister is in general agreement with this philosophy but I just want to call his attention to the very grave danger of treating unemployed people simply as units in an unemployed labour force.

I do not have personal knowledge of how these procedures work but I urge him when he considers the merits of the experiment and the possibility of extending it to other regions to take into consideration the effect it has on the relationships between people, the unemployed on one hand and those members of the commission who are trying to serve and look after them on the other. I urge the minister to bear this in mind. I know he will because I am convinced that he is just as interested as we are in this matter.

Mr. Starr: Mr. Chairman, I wish to assure the hon. member for Trinity that I have this philosophy foremost in my mind. The mechanization of which I spoke of relates to the processing of claims only and certainly there will be no mechanization in terms of placing people in jobs or interviewing them.

(Translation):

Mr. Racine: Mr. Chairman, while we are discussing the Minister of Labour's estimates I shall avail myself of this opportunity to draw the minister's attention on the hardship suffered by loggers and bushworkers following a notice published by the Unemployment Insurance Commission in December 1958, which reads as follows:

> Notice to operators engaged in wood cutting and lumbering.
>
> Revised divisor table.
>
> As from January 4, 1959, section 143, as amended, of unemployment insurance regulations will put into force a revised table of quantitative divisors used in establishing the number of unemployment insurance contributions to be credited to workers engaged in wood cutting and lumbering, whose rate of pay is based on their production figures rather than on the time spent on such production. The revision of the said table took into consideration more general use of mechanical saws, which resulted in a higher weekly production per man than in the past.

[Mr. Hellyer.]

The notice also provides that, in future, wood cutters must cut 12 cords instead of 8. The proposed amendment therefore requires that lumberers increase their production by 50 per cent.

Mr. Chairman, it seems to me that if, on the one hand, account was taken of mechanization, the fact was overlooked, on the other hand, that forestry operations, in Quebec, are mostly a winter activity, and that it is rather difficult for a lumberer to work a six-day week. Often, as a result of bad or changeable weather, they have to be content with four days' work. It is therefore quite impossible for them to cut 12 cords a week under such conditions.

It seems to me that if account was taken of mechanization, in determining the number of cords which a bushworker may cut, account should also be taken of bad weather, so as to extend to those workers the same privilege that is extended workers in private industries, that is to say the right to obtain a stamp without having to work a full week. I therefore ask the Minister of Labour (Mr. Starr) to take up this matter with commission officials for their consideration so that they may be in a position, if possible, to show greater fairness towards lumberers.

Mr. Chairman, I should like to direct another question to the minister. Could he tell me whether the negotiations undertaken with the authorities of the State of Maine and New Hampshire are being continued, so as to enable Canadian forestry workers employed in those states to qualify for unemployment insurance, through an agreement similar to the agreement reached with the authorities of the state of New York? Could the minister indicate whether it is possible to reach such agreements with the states concerned?

If not, would it be possible to amend the Unemployment Insurance Act in order that these workers could qualify for benefits? We know that many of them would rather work in Canada—thus increasing the number of those who are seeking jobs—than go to the United States to work, because they cannot have the coverage of unemployment insurance. Therefore, I ask the minister to tell us if the negotiations with the two states concerned are still going on.

(Text):

Mr. Starr: Mr. Chairman, I thank the hon. member for his suggestion which I shall take under consideration. For the past year and a half I have been endeavouring by communication to arouse an interest on the part of the states of Maine and New Hampshire

in the terms of the reciprocal agreement with those states. Just recently within the past few weeks a representative from the Department of Labour attended a discussion held in the United States on this subject, the movement of labour across the border. He reported to me that the United States authorities now have a more lenient attitude toward the problem. We hope to follow it up and bring about a satisfactory conclusion in that respect.

Item agreed to.

173. Transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council, $75,000.

Mr. Pickersgill: Mr. Chairman, I should like to ask the minister if he could tell us how many areas in the Atlantic provinces are now declared labour surplus areas coming within this vote and how many people have been moved out of those areas in the Atlantic provinces under this vote since the first of the year?

Mr. Starr: Mr. Chairman, there are two areas designated labour surplus areas, Springhill and Bell island. We have had inquiries from two firms interested in a few hundred of the men from Bell Island. That is the reason why this area was designated as a labour surplus area, in order to allow us to pay the cost of transporting the worker, his wife and family and household effects to the location of his new employment elsewhere in Canada.

There were 42 workers and 23 dependents transferred from the Springhill area in the last fiscal year for which we paid their expenses to other jobs elsewhere in Canada.

Mr. Pickersgill: Have there been any yet from Bell island?

Mr. Starr: As far as I know there are no reports of any being transferred as yet.

Item agreed to.

Mr. Denis: Before we get through with the estimates may I be permitted to revert to item 168 just to ask one question while the officials are here?

The Deputy Chairman: Has the hon. member the consent of the committee to revert to item 168?

Some hon. Members: Agreed.

Mr. Denis: I should like to know from the minister whether the province of Quebec has received any benefit from this item which has to do with a program for combatting seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces and the federal government?

Mr. Starr: I regret very much, Mr. Chairman, that that information is not available on my desk at the moment because of the fact we had passed the item. I should be glad to convey that information to the hon. member.

Mr. Martin (Essex East): The answer is that the province has not.

Mr. Starr: I want to be sure.

The Deputy Chairman: That completes the estimates of the Department of Labour.

DEPARTMENT OF PUBLIC WORKS

318. General administration, $9,335,045.

The Deputy Chairman: This item will be found on page 64 of the blue book and the details on page 416.

Hon. Howard C. Green (Minister of Public Works): Mr. Chairman, the estimates of the Department of Public Works are set up in such a way that most of the discussion and questioning takes place on the different items, but I thought it might be helpful on the first item if I gave the members of the committee a brief summary of the work of the department during the last fiscal year which ended on March 31; then, a brief summary of our plans for the present fiscal year which commenced on April 1. Also there are three or four particular projects about which I think the members would like to have special information.

The work of the department has been quite severely handicapped because of the severe winter weather conditions which existed during the last winter in most parts of the country. However, the departmental activity was maintained at a very high level and I should like to pay tribute to the officials from coast to coast. They have been working under great pressure and have a great many projects under construction. I am sure that all hon. members who have had any contact with the department during the last year—and I would think that that includes everybody, judging from the letters I get—will agree that these officials have done a very good job.

The high level of activity is reflected in the total departmental expenditures of $220.3 million for the fiscal year 1958-59, which is an increase of approximately $8 million over 1957-58 and $55 million over the year 1956-57. On the building construction side of the departmental program in 1958-59 the expenditures totalled $60.5 million compared with $52 million in 1957-58 and $45.4 million in 1956-57. Expenditures on the construction of new harbour works as distinguished from

the building construction work of the department reached a total of $28.4 million, against the previous year's figure of $26.2 million and an expenditure of $22.4 million in 1956-57.

The sum of $10 million was spent on the construction of the trans-Canada highway in the national parks which, as hon. members know, is the direct responsibility of the federal government. Our contributions to the provinces on the shared portion of the trans-Canada highway construction represented a total expenditure of $51.1 million compared with $49.4 million in 1957-58 and $24.8 million in 1956-57. The expenditures on this account in 1958-59 reached the highest total ever achieved in a single fiscal year. In addition to increased expenditures on works which fall within the department's own responsibility, activities on behalf of other government departments resulted in expenditures totalling $33.1 million, an increase of $1.7 million over the previous year.

There has been continuing emphasis placed on construction through the winter. This was very effective during the last winter, particularly in the building construction field, in which most of the projects were not closed down during the unfavourable construction season. The severe weather conditions did curtail winter construction activity to some extent on the harbours and rivers side, particularly in Quebec and the maritimes, where the physical conditions in many cases made progress impossible. However, to offset this the department undertook the policy of acquiring materials in advance. This had the double effect of providing increased employment during the winter months, for example timber cutting in Newfoundland, and of permitting a start on actual construction as early as possible after the spring break-up.

A large program of works was undertaken during the winter in the field of building repairs and maintenance, such as interior painting, partitioning and so forth. Although those works are not individually large in value, their cumulative effect is significant. Quite a large number of locations were involved. For 1958-59, the total expenditure on these types of works reached $2,710,000, with a labour value in the neighbourhood of 2½ million man hours.

The program of constructing small standard post offices across the country was another highlight of 1958-59. This program has been adopted to get those small post offices built during the winter months and with a minimum of administrative work, which perhaps I should call red tape. This is the first winter that the department has gone into such a plan heavily and we think it has been very successful. Mind you, those buildings are erected only where a lease has expired. We do not build them where there is a lease in existence; but where a lease is running out and it is considered appropriate by the Post Office Department and the Department of Public Works that a small post office should be built, that has been done. Sixty-seven buildings, with a total value of approximately $1.35 million, were undertaken. Most of these have now been completed or are in the final stages of construction. The construction of these buildings, as I have said, was carried out during the winter months. I have here a list of these post offices and if hon. members are interested in seeing it perhaps I could have leave to place it on *Hansard*.

The Deputy Chairman: Has the minister leave to place this on *Hansard?*

Some hon. Members: Agreed.

(Editor's note: the list above referred to follows:)

Miscellaneous Works "Crash Program"
Newfoundland

Location	Area (in square feet)
Garnish	600
Port Rexton	600
Spaniard's Bay	800
Nova Scotia	
Caledonia	600
Elmsdale	600
Middle Musquodoboit	800
Newport	600
New Ross	600
Pugwash	800
River John	600
Weymouth	800
New Brunswick	
Boiestown	600
Bristol	600
Canterbury Station	600
Harvey Station	800
Norton	600
Salisbury	600
Quebec	
Bromptonville	800
Campbells Bay	800
Contrecoeur	800
Dunham	600
East Broughton	600
Fort Coulonge	800
Grenville	600
Hebertville	800
Lorrainville	800
Rougemont	600
St. Ambroise (Chicoutimi)	600
St. Barthelemy	800
St. Hubert	800
Ste. Marguerite Station	600
St. Paul l'Ermite	800
Ste. Thecle	800
Lac au Saumon	800
Ontario	
Alfred	800
Ayton	600
Callander	800
Chalk River	800

Location	Area (in square feet)
Harmer	600
Hastings	800
Otterville	800
Spanish	800
Thornbury	800
Wellesley	600
Wyoming	800
Manitoba	
Belmont	600
Minitonas	800
Ninette	600
Otterburne	600
Ste. Rose du Lac	800
Saskatchewan	
Elrose	800
Frobisher	600
Spiritwood	800
Strasbourg	800
Wapella	800
Alberta	
Acme	800
Airdrie	600
Bow Island	800
Blackie	600
Cochrane	800
Clyde	600
Morrin	600
Smoky Lake	800
British Columbia	
Bella Coola	600
Fort Langley	600
Pitt Meadows	600
Wellington	600

Mr. Green: Perhaps I might say a few words now about harbours and rivers engineering projects. The use of model studies, in conjunction with the national research council, was increased and emphasized to study proposed projects in advance with a view to determining the results which can be expected and minimizing the possibility of inefficient and expensive undertakings which fail to achieve the desired results. Among the projects which have special problems and have therefore been subject to prior model study are the ones at Port aux Basques, Newfoundland, which as we all know has been a very tough problem; Saint John and Ingalls Head, New Brunswick; Glace Bay, Nova Scotia; Chandler and Matane, Quebec. A model study of the Fraser river development has been in use for some years.

To turn to development engineering projects, which come under another branch of the department, during the last year work on the construction of the trans-Canada highway through the national parks included completion of the bituminous stabilized base course in Banff and Yoho national parks, making it possible now to drive from the east gate at Banff to the western boundary of Yoho on a first-class paved highway. I might add that it is possible to drive on a first-class paved trans-Canada highway from the western border of Yoho park all the way to Kenora, Ontario. I did it myself the summer before last and the highway is even better now.

In Glacier and Revelstoke national parks the start of construction was delayed in that the route involving these parks was not decided upon until 1956. As members from the west will know, the decision then taken was to abandon the Big Bend route around the bend of the Columbia and build a new road paralleling the Canadian Pacific railway from Golden to Revelstoke with the exception that the road goes through Rogers pass and the railroad goes through a five mile tunnel having abandoned the road through the pass quite a few years ago.

Similarly, in the case of Terra Nova in Newfoundland this park was only declared in 1957. However, the work in these three parks has been pressed forward and all of the trans-Canada highway mileage was under grading contract by last summer. In Terra Nova in particular, while grading is not yet completed traffic is making use of the road. A full statement of activities on the trans-Canada highway through the provinces was given during the readings of the bill to amend the Trans-Canada Highway Act last March. However, an indication of the accelerated progress on this undertaking on the basis of final figures for 1958-59 is that Canada's share of expenditures for the year rose to over $51 million, as I pointed out earlier in my remarks, which exceeded the original estimate by an appreciable amount.

Other projects in the field of highways and bridges which concerned the department during the year included the awarding of contracts for the substructures of bridges at Campbellton, New Brunswick, which will run to Cross Point, Quebec, $1,261,600, and at Burlington, Ontario, $698,300. In addition, the contract for the superstructure of the Burlington bridge has been let at an amount of $3,684,400 and tenders for the Campbellton-Cross Point superstructure have been called for June 4.

Work on behalf of other government departments was undertaken in all major fields of activity of the department. More than 200 individual projects were undertaken for 15 other departments. The majority of these were on behalf of the R.C.M.P. and northern affairs and national resources and included are major developments which are taking place in northern communities. There was also a heavy program of highway construction and location undertaken for northern affairs and national resources. In the national parks some of the principal items were reconstruction of the Banff-Jasper and Banff-Windermere highways and the Emerald lake

road in the west and of the Cabot trail and the gulf shore road in the east.

In the northwest territories the extension of the Mackenzie highway toward Yellowknife was continued both on the location and construction sides. Other road survey projects in these areas include the Marian river road, the Fort Fitzgerald-Bell Rock road and a road from Peace Point westerly in Wood Buffalo park. In the Yukon territory, the reconnaissance survey of the road from the Dawson-Stewart highway to the oil reserves in the Peal plateau and thence to Fort McPherson, a distance of about 300 miles, was completed, as was the final location of the first 140 miles of the road. During the past winter a clearing contract was awarded on the first 45 miles where construction will start this summer. All of these undertakings involved an expenditure of $12 million during 1958-59 with the money being provided in the appropriation of northern affairs and natural resources.

So much for a brief review of the fiscal year 1958-59. I should now like to give members of the committee a few of the highlights of the departmental program for 1959-60. The total amount requested, exclusive of statutory items, in the 1959-60 estimates is $173.6 million. This reflects a decrease of $17.8 million on ordinary account. The decrease relates mainly to the completion of the major construction phases on a number of construction projects, for example, the customs building and post office at St. John's, Newfoundland, the national revenue building at Montreal, buildings for mines and technical surveys here in Ottawa and also some very expensive harbour improvements such as at Port aux Basques, Newfoundland, and Toronto. I hope, by the way, that we are not going to be criticized for reducing our estimate by a small amount.

Offsetting the decrease to some extent are additional requirements for the Campbellton-Cross Point bridge, an increase of $1,800,000, the low level Burlington canal bridge, an increase of $2,200,000, and an increased requirement related to the construction of a new dredge for the west coast dredging fleet, the increase being $660,000. Additional expenditure of about $1 million is included for the construction of the trans-Canada highway in the national parks. An increase of $3 million is also forecast in the contribution to the provinces for the trans-Canada highway, although this is a statutory item.

As for the winter employment implications of the 1959-60 estimates, although the amount provided for repairs, upkeep and normal maintenance of public buildings across the country is slightly reduced, it is the intention again to schedule these works to be carried out during the winter months in the interest of relieving seasonal unemployment. The department's activities in this field in 1958-59 have tended to reduce the requirements somewhat.

Similarly, it is intended to proceed again with a program of standard post office construction across the country in the winter of 1959-60. This program is carried out from the vote which is described as being for "miscellaneous works" in which an increase of three-quarters of a million dollars is requested. I have a list here of the small post offices and where they are to be built during the coming winter. If hon. members so wish, I would be glad to place it on *Hansard*.

The Deputy Chairman: Has the hon. member unanimous consent to put this list on *Hansard*?

Some hon. Members: Agreed.

(*Editor's note: The list above referred to is as follows:*)

PROPOSED CONTINUING PROGRAM—1959-60

Province	Location
Newfoundland	Newtown, Norris Arm.
Prince Edward Island	—
Nova Scotia	Florence, Reserve Mines, Clarke's Harbour, Whycocomagh, Brookfield.
New Brunswick	St. Louis de Kent, Blackville, St. Quentin, Dorchester.
Quebec (Quebec District)	St. Anselme, Les Escoumins, Gaspe Harbour, St. Bruno Lac St. Jean, St. Basile de Portneuf, Ste. Felicite, Godbout, River Bend, Price, St. Pamphile.
Quebec (Montreal District)	Beebe, Mont Rolland, Oka, St. Gregoire de Nicolet, St. Germain de Grantham, Hudson Heights, Ste Adele.

PROPOSED CONTINUING PROGRAMME—1959-1960—Conc

Province	Location
Quebec (Ottawa District)	Taschereau, St. Andre Avellin, Chapais, Macamic.
Ontario (Ottawa District)	Lanark, Casselman, North Gower, Manotick.
Ontario (Toronto District)	Jordon Station, Waubaushene, Manitowaning, Stevensville, Virgil, Belmont, Swastika, Port Rowan, Cookstown, South River, Grand Bend.
Ontario (London District)	South Woodslee, Courtright.
Ontario (Winnipeg District)	Ear Falls, Balmertown.
Manitoba	Dominion City, Fisher Branch, Miami, Inglis, Hartney, Winnipegosis.
Saskatchewan	Central Butte, Neilburg, Perdue, St. Brieux, Punnichy, Rockglen, Vanguard.
Alberta	Big Valley, Exshaw, Alix, Canmore, Mannville.
British Columbia	Field, Shawnigan Lake, Galiano, New Denver, Saanichton, Vananda.

Mr. Green: I would point out that sometimes things happen in connection with these small post offices and I cannot guarantee that all of them will be built. There may be some changes and perhaps some additions to the list. I find that quite a few problems come up in this connection, such as a quarrel about a site or something of that kind, and these things take time to work out. One centre in which a large federal building and not a small post office was to be erected had three sites selected by the local citizens. Almost a civil war developed in the town as to which site should be used, and the result has been that, for the time being, no building can be erected in that particular place.

Then in so far as work for other government departments is concerned I would say that a significant increase is indicated in the volume of works the Department of Public Works is being asked to undertake on behalf of other government departments. For 1959-60, 338 projects with an estimated total value of $227.9 million have been assigned by 11 other departments. This compares to a total of 236 projects valued at $152 million which was originally included in the 1958-59 program. Expenditures on this account for 1959-60 are now estimated at $51.82 million compared with $40.6 million at the time of the 1958-59 estimates and $35 million included in 1957-58.

Hon. members might be interested in some of the major departments for which the Department of Public Works will be undertaking work. I have a list which could be put on *Hansard*. For example, there is the department of northern affairs, 95 projects and the estimated total cost is $165 million; the estimated 1959-60 requirement is $26.9 million. Then, there are projects for veterans' affairs, transport, citizenship and immigration, the R.C.M.P., agriculture, national research council, national health and welfare. Perhaps I could have these figures printed without reading them.

The Deputy Chairman: Has the hon. member permission to have these figures printed in *Hansard*?

Some hon. Members: Agreed.

(*Editor's note: The figures above referred to are as follows:*)

Department	No. of projects	Estimated total cost (Millions)	Estimated 1959-60 requirement
Northern Affairs	95	165.0	26.9
Veterans Affairs	8	11.0	1.7
Transport	17	9.6	3.4
Citizenship and Immigration	44	9.3	4.5
R.C.M.P.	105	8.8	3.9
Agriculture	11	7.5	3.9
National Research Council	3	7.3	1.8
National Health and Welfare	36	6.9	2.7

Mr. Green: Not included in these listings is the program of construction of community stages for the fishermen in Newfoundland. This program, being undertaken on behalf of the Department of Fisheries, is now estimated to cost about $835,000. During the 1958-59 winter sites for the stages were decided upon and some of the materials required, mainly timber, were obtained. It is expected that the program can be completed in 1959-60. I had hoped we could finish some of this work during the winter months, but that turned out to be impossible.

In so far as the development engineering projects are concerned for 1959-60 fiscal year, slope seeding—as hon. members know that is where you spray grass seed on the slopes of the highway—general clean-up and the installation of guard railing will be carried out along the paved highway in Banff and Yoho parks. The grade separation at the Norquay overpass in Banff, as well as the Wapta lake railway relocation in Yoho, will be completed. All aggregate needed for the final paving of the trans-Canada hghway in those two parks will be crushed. In Glacier and Revelstoke parks, depending upon weather conditions, the major part of the grading of the highway will be completed as will most of the structures. Avalanche studies in the Rogers pass section of Glacier and the design of suitable avalanche defences for this area will be continued. In Terra Nova park grading on the highway will be completed and we will be in a position to proceed with the bituminous stabilized base course. For all of these projects, an amount of $13,400,000 is provided. However, if we encounter a good construction season, it is possible that a supplementary appropriation will be needed later in the year. An amount of $48 million is included in these estimates to cover payments to the provinces under the trans-Canada agreements during 1959-60.

In the few minutes which remain, I should like to give to the members a sketch of the situation with regard to five or six particular projects. One of the most challenging and most interesting projects the department has under construction is the improvement of the harbour in St. John's Newfoundland. A further amount of one and one-quarter million dollars toward harbour improvements in St. John's, Newfoundland is included in this year's estimates. This will provide funds to allow a continuation of the major reconstruction program for this port for which funds were provided in last year's estimates. This is one of the largest projects which the department has undertaken, with the total cost being in the neighbourhood of $13 million. To date, three contracts totalling over a million dollars have been awarded to provide a marine agency wharf for use of the Department of Transport, a small boat basin and a significant quantity of dredging. The first of the demolition work contracts has been advertised, with more to follow.

It is expected that tenders will be called in July or August for the main finger pier and the related operating facilities, with this particular contract representing a value of probably some six to seven million dollars. There are numerous portions of this harbour development which are receiving continued study at present, as the planning is relatively involved. I refer to improvement in the road traffic surrounding the waterfront; the extension of sewers through the new waterfront structures; naval and Canadian National Railways' installations; and such other problems. A large number of properties, including some private homes, wholesale and retail businesses, lumber concerns and a fish plant are being acquired in order to make these improvements possible.

The need for modernization of St. John's harbour is easily seen by a comparison of the cargo handling costs there and in other Canadian harbours. The capital expenditures being made in connection with this development will pay for themselves in the savings to be realized by Newfoundland through the improved handling and distribution of cargo. The plan includes, in addition to the works now under way and the large finger pier—it is so named because it is shaped like a finger—an adjacent marginal wharf which will provide berthage for all sizes and types of ships using this harbour. Transit sheds, storage sheds, etc., are of course included.

Progress on the general project has been favourable. However, I expect the work will not be completed until 1962 or 1963. This project is, of course, supplying much needed employment for the St. John's area and when the main pier contract is awarded this employment will be greatly increased and should be of particular help during the coming winter.

Hon. members will have heard about the possibility of a causeway from New Brunswick to Prince Edward Island over the Northumberland strait. As reported to the house, the government has undertaken a feasibility study for providing a crossing over Northumberland strait to replace the existing rail and highway ferry service. Proposals for such a crossing had dated back to 1891. The most recent proposal was put forward by the province of Prince Edward Island in 1956, when they suggested that a rock-filled causeway be constructed at a cost of $50 million, and asked the federal government to investigate rock sources on cape Tormentine. Preliminary work was done on this, as well

as an economic study of the cost of operations and capitalization of the existing ferry system.

The difficulty in considering the proposal of Prince Edward Island, as well as previous ones, was that no engineering studies had ever been made to establish that a causeway could be constructed and supported by sufficient data to give an estimate of cost. Most important, investigations had not been made to establish what would be the results of tidal conditions along the coast should such a causeway be constructed. As this information was required before a proper assessment of either the physical or economic feasibility of the project could be considered, the government authorized the undertaking of this study in March 1958.

The study has been most complex. The design of any type of structure required a complete tidal survey throughout the whole of Northumberland strait. This work was undertaken by the Department of Mines and Technical Surveys which had engaged a boat to put the work in hand by May, 1958. In addition to establishing the existing tidal conditions, that department predicted the changes in tidal conditions which would result from the construction of a causeway. It was established that a causeway would completely change the phases of the tide at the crossing, so that high tide on one side of the crossing would coincide with low tide on the other side, creating a condition where there would be up to ten feet differential in head on opposite sides of the causeway. It was also established that such a causeway would create changes in tidal ranges to varying degrees along both coasts of Northumberland strait. This necessitated a survey of existing shore line conditions and land use along the coasts of New Brunswick and Prince Edward Island in the Northumberland straight area and these surveys are now being used to establish estimates of cost of remedial works and possible land damage as a result of construction of a causeway.

In addition, it was necessary to have a very complete survey of the ice conditions in the strait and predict what the conditions would be as a result of causeway construction as obviously any change in these conditions would require careful study in relation to navigation and fisheries.

A great deal of credit is due to the Department of Mines and Technical Surveys for their tidal studies and for their studies on the shoreline and land use, particularly in view of the fact that they were able to undertake this work so efficiently during 1958 and provided so much information in a limited time.

Considering the scope of the study and the fact that each phase of the survey was, to some degree, dependent on the information from other phases, the work has progressed remarkably well and it was possible to provide sufficient information to the consultants who were responsible for the site investigation and preparation of alternate designs enabling them to submit their report within the last week.

The alternatives in this report will now be considered by this department as well as by other departments concerned, such as transport, the Canadian National Railways and fisheries, and will be consolidated with the reports on the cost of remedial works and possible land damage. This review is now proceeding, following which the government will give consideration to the economic feasibility of the project.

Then I had intended to say a word about the development in Courtenay bay, at Saint John, New Brunswick, but I will leave that.

I also have a report on an extremely interesting development—

The Deputy Chairman: Order. The hon. member's time has expired.

Some hon. Members: Carry on.

The Deputy Chairman: However, I am sure the committee will give him unanimous consent to continue.

Some hon. Members: Agreed.

Mr. Green: I thank hon. members very much for their kindness.

Mr. Bourget: Before the minister goes further, may I ask whether he can inform the members of the committee if a copy of the report on this study with respect to the causeway between New Brunswick and Prince Edward Island could be made available to members of the committee? It may be a confidential report; I do not know whether or not that is the case. But for the information of the committee, I think it would be extremely interesting if we could have a copy of it.

Mr. Green: The report, of course, has just come into the department and it will require careful consideration. At the moment it would not be wise to make that report public until it has been considered.

I should like to say a few words about the development in the lower St. Lawrence area because, to me, this is one of the most interesting developments taking place under the department. There are a number of items included in this year's estimates which will provide funds for the continued development of the Quebec north shore area, notably Pointe au Pere, Pointe au Pic, Seven Islands and Baie Comeau.

Economic growth in the north shore-new Quebec region is continuing at a rapid rate. Resource developments are centered around power, newsprint, ilmenite, iron ore and aluminum and, more recently, grain handling facilities at Baie Comeau. Companies such as Canadian British Aluminium, Iron Ore Company of Canada, Quebec Cartier Ore, and Cargill Grain are either locating or expanding developments in this area. Centres like Baie Comeau and Seven Islands are growing rapidly and their economic base is becoming deeper. More extensive and more diversified ties with the rest of the country are at the same time developing, and this calls for improved and expanded public services.

The Pointe au Pere item is to provide for the construction of a winter port which will enable year-round service to be maintained across the river. The total cost of this project is in excess of $3 million. Tenders for this work were received on May 13, and it is expected construction will commence shortly.

Tenders have been received for the enlargement of a wharf at Pointe au Pic, and the total cost will be in excess of $700,000. This contract should be awarded shortly. Expanded accommodation here will, of course, improve the handling facilities on the lower St. Lawrence routes.

At Baie Comeau the department shared in the cost of certain dredging undertaken to facilitate the operation of new grain handling structures being built by private interests. The private companies' work on the grain elevators and docks, etc. is well in hand. This dredging will make for greater use of the continually expanding harbour at Baie Comeau.

At Seven Islands a new wharf, costing in excess of $1 million, is now coming to completion, and this again will provide improved facilities for cargo handling in this area.

In addition to these projects presently under way and those planned for starts this season, the department is continuing a study of the need for providing terminal facilities at both Forestville and Baie Comeau.

I had intended to refer to the reconstruction work being done in the Jackson building here in Ottawa but I will also leave that.

Finally, I have a word of encouragement for the hon. member for Fort William and the hon. member for Port Arthur. An item of $300,000 is included "towards harbour improvements" for the lakehead cities of Fort William and Port Arthur. As well, dredging not related directly to the new terminal development is being undertaken at these two cities.

[Mr. Green.]

In order that the whole of western Canada may share in the benefits of the St. Lawrence seaway development, modern cargo handling facilities are being undertaken at the lakehead, which will facilitate the transfer and movement of cargo from the seaway route to the western provinces. At present, some 600,000 tons of packaged freight move through the existing facilities. Before long, this figure will be close to 1½ million tons, so that the need for improved facilities is obvious.

The initial terminal will have three berths, two for lake freighters and one primarily designed for ocean freighters. It will be designed so as to be capable of further expansion, if required. This terminal will also allow handling in all of the new methods of transportation such as roll on-roll off, piggy-back, fishy-back and package-containers.

The development will open up a potential industrial area of some 100 acres. The proposed location of the development is known as the boundary site, since it is very close to the physical boundary between the two cities. The largest part of the terminal area will be developed by reclaiming land, and will provide much needed space for rail cars adjacent to the terminal berths. Various types of modern construction will be used, with the greater portion being steel sheet piling. The estimated total cost of the development is approximately $7½ million, and it is felt that this capital investment will be recovered through the greater speed and efficiency of the cargo handling. The first contract for access roads and bridges has been advertised, with tenders being due on June 3. Work on this aspect of the project should start shortly thereafter, and the larger contracts for the main terminal facilities will be called later this summer.

That is a hurried and sketchy report of some of the activities of the department. In closing, I should like once again to pay tribute to what we in the department like to call the public works team. This team spirit was initiated under the former minister, Hon. Robert Winters. I am sure that his former parliamentary assistant, the hon. member for Levis, will agree with me that it is a wonderful thing.

Mr. Bourget: Entirely.

Mr. Green: Each year the leading officials from all over Canada are called in for a conference of a week. The various problems are reviewed and suggestions are made. This is only one of the ways in which the deputy minister, Major General Hugh A. Young and his assistant deputy, George Jackson and the

other executive members of the team have built up this good spirit. I should like to commend their work to the members of the house. I think they are doing a splendid job for Canada.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I should like to ask the leader of the house if he would tell us which we can expect on the menu after the energy bill.

Mr. Green: I could give the hon. member better information on that point if he could tell me when I can expect that debate to end.

Mr. Pickersgill: As soon as possible.

Mr. Green: If it ends tomorrow before five o'clock, we will be going on with public works estimates.

Mr. Pickersgill: That is private members' time.

Mr. Green: I said before five o'clock; five minutes to five.

Mr. Pickersgill: Can the leader of the house give us any information about next week?

Mr. Green: I am sorry but I cannot say just what the legislation will be next week. We must get this Federal-Provincial Tax-Sharing Arrangements Act through. Payments to the provinces are being held up because it is not being passed. I would think that would be the first item called after the debate on the national energy bill. We have been holding back the resolution on the C.N.R. finances until my hon. friend's party are ready to go on with it. I do not know whether or not they are now prepared to do so. I believe the report from the committee was tabled this afternoon. But I am not sure whether the printed reports of the evidence taken in the committee have been distributed. We should like to get on with that resolution.

Mr. Pickersgill: Before you leave the chair, Mr. Speaker, I should just like to remind the minister that payments to another province are being held up also because of the failure of the government to bring in legislation. I hope they will give consideration to that matter as well.

Mr. Green: I am not quite sure to which province the hon. member has reference.

Mr. Pickersgill: Perhaps I can make a declaration of war.

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

Question

ANSWER TO QUESTION

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

POSTAL TENDERS, ANTIGONISH-SHERBROOKE, N.S.

Question No. 421—**Mr. McWilliam:**

1. Were tenders recently called for the mail service designated Antigonish-Sherbrooke, Nova Scotia?

2. If so, who submitted tenders and what is the amount of the bid in each case?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

1. Yes.

2. Stuart Ellis McKeen, Aspen, $2,400; Lester Vincent Macdonald, Sherbrooke, $3,100; William Duncan Mailman, Box 28, Sherbrooke, $3,300; Reginald Henry MacKinlay, Sherbrooke, $3,300.40; Robert MacFarlane Carroll, Sherbrooke, $3,850; Roland Morton Myers, Antigonish, $4,455; Arnold James MacIntosh, Sherbrooke, $4,800; George Harold Mason, Goldenville, $5,100; John Henry MacDonald, Jordanville, $5,500.

[The following items were passed in committee of supply]:

DEPARTMENT OF LABOUR

A—Department—

General administration—

163. Departmental administration, including grants as detailed in the estimates and the expenses of the international labour conferences, $1,105,745.

164. Economics and research branch, including research grants and related expenses, $670,030.

165. Annuities Act administration, $1,242,512.

166. Industrial relations activities, including the administration of the Industrial Relations and Disputes Investigation Act, the Canada Fair Employment Practices Act, the Female Employees Equal Pay Act, the Fair Wages and Hours of Labour Act, the Annual Vacations Act, and regulations, and the promotion of labour-management co-operation, $610,739.

167. Civilian rehabilitation branch, including payments to the provinces to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the governor in council, $209,850.

Special services—

168. Special services branch including the promotion of a program for combatting seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council, and the movement, reception, supervision and welfare of workers from outside Canada to work on farms and other essential employment where Canadian labour is not available to meet the need, $588,786.

Vocational training co-ordination—

169. Administration, $110,920.

170. To carry out the purposes of the Vocational Training Co-ordination Act and agreements made thereunder; to authorize the Minister of Labour to enter into agreements with any province on terms approved by the governor in council to provide financial assistance to vocational and technical schools and training under youth training projects and to provide for the expenditures thereunder and under vocational training agreements entered into in previous years, including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $9,825,700—Payments to the provinces, $9,525,700.

Government employees compensation—

171. Administration of the Government Employees Compensation Act, $98,958.

B—Unemployment insurance commission—

172. Administration of the Unemployment Insurance Act, including expenditures incurred in connection with other duties and responsibilities assumed and carried out as required by the governor in council on the recommendation of the Minister of Labour in accordance with section 4 of the act, $35,179,000.

173. Transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council, $75,000.

HOUSE OF COMMONS

Friday, May 22, 1959

The house met at 11 a.m.

EXTERNAL AFFAIRS

IRAQ—INQUIRY AS TO ESTABLISHMENT OF DIPLOMATIC MISSION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Prime Minister whether, in view of continuing developments of international concern in the Middle East, the government has given or is giving consideration to the establishment of a diplomatic mission in Iraq, supplementing changes that have been made in our missions in other Middle East countries. This question is based on a suggestion I made during the course of the last international affairs debate in this house. I would be grateful to the Prime Minister for an expression of intention.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government is fully conscious of the importance of Iraq in the Middle Eastern scene and is keeping the question of representation constantly under consideration and close review. Regard, of course, must always be had to the priorities which must be established as between this crucial area and other countries and regions which are of importance to Canada and in which we are still unrepresented. However, I know the hon. member has referred to this matter on another occasion, and I recall that the hon. member for Saskatoon has also interested himself in it. Certainly representation in Baghdad is one of those things that are before the department, and has to be decided in the light of future circumstances as well as priorities.

COLOMBO PLAN—INQUIRY AS TO NAMING OF CO-OPERATIVE EXPERT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister based on a press statement attributed to Mr. Ralph S. Staples, president of the co-operative union of Canada, to the effect that Canada's 20-month delay in naming a co-operative expert under the Colombo plan is hampering co-operative development in India. Can the Prime Minister explain the delay in this appointment and will the appointment be made immediately since, according to Mr. Staples, a co-operative expert is available?

Right Hon. J. G. Diefenbaker (Prime Minister): This matter comes under the Department of Trade and Commerce.

Hon. Gordon Churchill (Minister of Trade and Commerce): I shall take the question as notice in order to read the article and see what the actual plan is, in order to ascertain whether the article is accurate in its statements.

AIRPORTS

DAWSON CREEK, B.C.—INQUIRY AS TO PURCHASE OR DEVELOPMENT

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the minister in a position to report on what progress is being made by the government toward the purchase and/or development of the airport at Dawson Creek?

Hon. George H. Hees (Minister of Transport): I wish to thank the hon. member for giving me notice of his intention to ask this question. The hon. member for Cariboo has been almost constantly in touch with me about this matter, and I know he will be interested in my answer. On December 10, 1958 I wrote to the mayor of Dawson Creek to explain the basis of government assistance toward capital airport field improvements as well as the possible extent of assistance in respect of the Dawson Creek airport. In my letter I pointed out the specific information we must receive from the city before seeking a parliamentary appropriation. To date I have not received a reply.

Mr. Regier: I understood that negotiations were under way as a result of the city having offered the airport to the government. Is that information right?

Mr. Hees: All I can say is what I have said. We are waiting for the information we have asked from the mayor. When we receive it we will be able to proceed.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

SEED GRAIN—INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister inform the house when the new legislation concerning seed grain is likely to be introduced?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I cannot say definitely, of course, when it will be introduced. We certainly intend to introduce it, and that will be done as soon as the order paper is cleared of some of the other important matters now found thereon.

Mr. McIlraith: Put it on the order paper so we can see it.

CANADIAN BROADCASTING CORPORATION

PROTEST BY PRINCE RUPERT WITH RESPECT TO DOCUMENTARY TELECAST

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of National Revenue; I hope notification was received by him in sufficient time. Can the minister, as the person who reports to parliament for the C.B.C., give the house any indication of the steps which the C.B.C. has taken or intends to take as a result of the protest of the city of Prince Rupert regarding a documentary telecast of that city which the C.B.C. undertook recently?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the hon. member did send notice this morning and as a result I telephoned the C.B.C. and asked for a report in writing on the matter, which report I have just received. I am advised by the C.B.C. that there has been an exchange of correspondence on this matter between the mayor of Prince Rupert and the acting president of the corporation as well as between the corporation's head office and the British Columbia regional office.

The telecast in question was not intended to be an over-all documentary on the city of Prince Rupert but rather a look at one incident which took place in that city, plus contributing factors to the incident. The C.B.C. advises that it plans to film additional and broader program material on Prince Rupert during the coming months.

[Mr. Hees.]

Mr. Howard: Can the minister indicate whether the C.B.C. in its correspondence has offered an apology to the city for this telecast?

Mr. Nowlan: I have no further information on the matter than that given to me in writing by the C.B.C.

HOUSING

C.M.H.C.—STATEMENT ON REPORTED EVICTION NOTICES TO POLYMER CORPORATION WORKERS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Leader of the Opposition—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I am so used to receiving wise direction from the Leader of the Opposition that I confused him this morning with the leader of the house. The Leader of the Opposition asked the Minister of Public Works yesterday whether or not it was true that evictions of certain tenants of Central Mortgage and Housing Corporation homes in Sarnia were taking place. The Minister of Public Works promised an answer today. Is he in a position to answer?

Hon. Howard C. Green (Minister of Public Works): Yes, I was just proposing to answer that question. There have been no eviction notices whatever given in Sarnia. Certain notices to terminate tenancies have been given, which of course, as the hon. member knows, is quite a different thing. Central Mortgage and Housing Corporation is prepared to deal with individual cases on the merits of each case, and where there is difficulty I believe some arrangement can be made with the union for a guarantee of the rent in such case. Negotiations have been under way and are continuing in an effort to work out the problem.

Mr. Hazen Argue (Assiniboia): May I ask a supplementary question. Did I understand the minister to say that Central Mortgage and Housing Corporation is prepared to accept the undertaking of the union that it will guarantee the rent after the strike is over?

Mr. Green: In individual cases, where there are problems in connection with the payment of rent, it has been the practice to make arrangements with the union. I believe that can be done in Sarnia. I am not referring to an over-all, blanket guarantee of all rentals.

Mr. Argue: Would this arrangement also be applied to the tenancy cases, to the people who are renting?

Mr. Green: I am only speaking of the rental cases. There are no arrears of payments under mortgages.

POLYMER CORPORATION

INQUIRY AS TO STRIKE SITUATION

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I should like to ask the Minister of Labour if he can bring the house up to date on the Polymer strike.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, meetings have been held in Toronto between the company and the union with Mr. Taylor as mediator. The latest report, as of last night, indicates that progress is being made. The talks will adjourn to Sarnia, where they will continue on Monday.

INDUSTRY

FORD COMPANY OF CANADA—REPORTED INTENTION TO INCREASE OWNERSHIP BY U.S. COMPANY

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Trade and Commerce. Would the minister care to comment on a newspaper report to the effect that the Ford Motor Company of Dearborn, Michigan, is preparing a $150 million bid to increase the extent of its ownership of the Ford Motor Company of Canada?

Hon. Gordon Churchill (Minister of Trade and Commerce): I have no comment to make, Mr. Speaker.

AGRICULTURE

WOOL—ANNOUNCEMENT OF SUPPORT PRICE FOR 1959

On the orders of the day:

Mr. E. W. Brunsden (Medicine Hat): I should like to direct a question to the Minister of Agriculture. Having in mind the tremendous help to the Canadian sheep industry resulting from the support price on wool last year, is the minister prepared to say now whether or not that policy will be continued for the 1959 wool clip?

Hon. D. S. Harkness (Minister of Agriculture): In reply to the hon. member's question I am happy to announce that wool will be supported this year on approximately the same price basis as last year. Price support for the 1958 clip was calculated on the basis of 60 cents per pound for western range choice, half-blood staple, f.o.b. Toronto. The support price for the 1959 wool clip will be

60 cents per pound for the average wholesale price of western range choice, half-blood staple, and eastern domestic, quarter-blood staple combined. The prescribed price will be approximately 110.5 per cent of the 10-year average of the two grades, basis f.o.b. Toronto, which is a slightly higher percentage than for the 1958 clip, for which the prescribed price was 110 per cent of the base price.

The support price for the 1958 clip resulted in a payment by the stabilization board of 28 cents per pound on all eligible graded wool. The payments have not been entirely completed, but will amount to more than $1.5 million. The relatively high prescribed price of 110.5 per cent of the 10-year average for wool is considered necessary and justified, and is designed to arrest the decline in and provide some incentive for the Canadian sheep industry.

UNEMPLOYMENT ASSISTANCE

QUEBEC—REQUEST FOR INITIATION OF DISCUSSIONS ON AGREEMENT

On the orders of the day:

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare, but in view of his absence may I direct it to the Prime Minister. My question arises out of a statement which was made yesterday by Mr. D. A. Hanson, retiring president of the Montreal council of social agencies. Speaking about unemployed people in Quebec he said last night that this is a "disgraceful situation in a rich country". My question is this. Will the government initiate some discussion with the provincial government with a view to trying to pursuade them to accept unemployment assistance from the federal government?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, such a question should be directed to the appropriate government. I saw the article in question. I would say to the hon. gentleman that if he would apply some of his own advice to that provincial government, he himself being a member from the province of Quebec, no doubt it would receive some consideration.

INQUIRIES FOR RETURNS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Finance how soon he hopes to be in a position to table the return to a question that was passed as an order for return some time ago, asking for federal payments to certain provinces.

Inquiries of the Ministry

Hon. Donald M. Fleming (Minister of Finance): That is not a return of the Department of Finance, Mr. Speaker. That was a return that was ordered by the house and consequently, in the ordinary course, will be tabled by the Secretary of State.

Mr. Pickersgill: Then, Mr. Speaker, I should be delighted to address the same question to the Secretary of State.

An hon. Member: As soon as possible.

Mr. Pickersgill: I wonder whether the Secretary of State is going to reply to the question.

Hon. Henri Courtemanche (Secretary of State): Mr. Speaker, I will inquire from my department and will let the hon. member know.

Mr. Pickersgill: Mr. Speaker, I wonder if I could ask the Prime Minister, while I am asking for returns, how soon he hopes to be in a position to table the other return about Newfoundland with respect to term 29?

Right Hon. J. G. Diefenbaker (Prime Minister): As a matter of fact, Mr. Speaker, I thought that had been done. There were two returns to be brought down. They are ready. One was brought down but apparently the other one was not.

Mr. Pickersgill: Perhaps I could ask the Minister of Justice when he hopes to be in a position to table the return in response to a motion that was passed concerning his department.

Hon. E. D. Fulton (Minister of Justice): As soon as possible, Mr. Speaker.

SHIPPING

NEWFOUNDLAND—INQUIRY AS TO CONTRACTS FOR VESSELS FOR C.N.R. SERVICE

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, may I direct a question to the Minister of Transport. I regret not having been able to give the minister notice, but if he requires notice perhaps he could answer on Monday. Have the contracts yet been awarded for the construction of the two coastal vessels for the C.N.R. service in Newfoundland?

Hon. George H. Hees (Minister of Transport): I shall be glad to check into that matter, Mr. Speaker.

Mr. Carter: I have a supplementary question. At the same time would the minister inform the house what firms, if any, have succeeded in getting the contracts, and what the contract price was for each ship?

[Mr. Pickersgill.]

Mr. Fleming (Eglinton): Order paper.

Mr. Hees:. I would think that question would be more appropriately an order paper question.

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

Hon. Gordon Churchill (Minister of Trade and Commerce) moved the second reading of Bill No. C-49, to provide for the establishment of a national energy board.

He said: In the discussion on the resolution prior to the introduction of Bill C-49, all who spoke appeared to be agreed upon the fundamental purpose of the measure, which is to establish a national energy board with a view to assuring to the people of Canada the best use of the energy resources of this country. Now that hon. members have the bill before them and as the discussion develops, I hope they will agree that the principles underlying the bill and the means by which we seek to apply those principles are also generally acceptable. Although the bill comprises 101 sections, it is very largely based on the relevant sections of the Pipe Lines Act and on the Exportation of Power and Fluids and Importation of Gas Act. What is new is important but not extensive.

It is now my intention to explain the main functions of the board as set forth in the bill and as contemplated by the government; to compare some aspects of the bill with relevant recommendations in the first report of the royal commission on energy, and to draw the attention of the house to certain limitations upon the powers of the board.

I would first point out that the bill will provide simpler machinery for dealing with matters relating to oil and gas and the pipe lines to transport them than has existed in the past, and also simpler than that contemplated by the royal commission on energy. In the past the board of transport commissioners has had certain responsibilities in respect of the construction and operation of pipe lines as set forth in the Pipe Lines Act, while the Minister of Trade and Commerce has had certain responsibilities under the Exportation of Power and Fluids and the Importation of Gas Act.

Procedures under the two acts have been separate and not entirely parallel. In the case of gas exports involving pipe line construction, applicants have had to satisfy two different agencies. The effect of the Borden commission's recommendation would have been to require applicants seeking permission to build pipe lines coming under the jurisdiction of parliament to satisfy two different

bodies, the national energy board and the board of transport commissioners. The bill now before you will replace the Pipe Lines Act and the Exportation of Power and Fluids and the Importation of Gas Act. It will concentrate within the single agency of the national energy board the functions formerly carried out by the board of transport commissioners and those carried out by the Minister of Trade and Commerce in respect to import and export licences for gas and export licences for electrical power. As in the case of the Pipe Lines Act, certain sections of the Railway Act will be incorporated in this bill by reference.

So much jurisprudence has grown up concerning these sections and so many rights have been created through their application that it would have been a most complex and time-consuming task, delaying the presentation of this legislation, to restate them afresh with any confidence that the results would be satisfactory and that existing rights would be protected. Notwithstanding this qualification, I suggest that this bill should commend itself to the house on the ground that it will simplify what has been a complicated and confusing statutory situation and streamline the procedures which must be followed by companies wishing to construct pipe lines.

Turning now to the functions which the bill will establish for the national energy board, I would first direct attention to the board's advisory responsibilities. They are the functions by which the board will be kept informed of changing circumstances and requirements and will thus be enabled to give expert advice to the government. The need for a central body charged with responsibility for research and comparative study of the various forms and sources of energy has long been apparent. Some useful work has been done in the past, both by ad hoc bodies such as the Gordon commission and the Borden commission and, in various special fields, on a more continuing basis by various departments and agencies. However, most energy sources are to some degree and in some circumstances interchangeable, and in some fuel applications there is intense competition.

The balance between the various energy sources has changed very markedly over recent years, and we may expect it will continue to change in the future. Such changes have important implications for national policy, and it is therefore highly desirable that a continuing and consistent study of energy matters be carried forward by a competent body.

In framing the advisory functions of the board we have had in mind, among other things, certain recommendations of the Borden commission, in particular recommendation 20. Since the language of that recommendation appeared open to the interpretation of requiring intrusion upon matters which are under the jurisdiction of the provinces, it is made clear that the responsibilities of the board for making continuing studies and for making recommendations to the minister are to be limited to those matters over which parliament has jurisdiction.

Also, whereas the intent of recommendation 20(b) was apparently that the national energy board should assist other agencies—and this is of course a laudable objective—it was considered by the government to be undesirable to allow the board on its own initiative to proffer advice and recommendations to any minister or any federal agency, since the indiscriminate use of such authority could give rise to confusion and uncertainty in the formulation of government policy. The bill therefore requires that requests for assistance from the board be channelled through the Minister of Trade and Commerce.

Under the advisory functions provision has been made in general terms for arrangements such as those specified in recommendation 29 of the Borden commission:

> That, if possible, reciprocal arrangements be made with the United States of America for a commissioner of the federal power commission of that country to sit as an ad hoc observer, but without vote, when the national energy board is considering any application for a licence for the export of natural gas from Canada to the United States or for the import of natural gas into Canada; and for a member of the national energy board to sit as an ad hoc observer, but without vote, when the federal power commission is considering the correlative application for the licence to import from or export to Canada such natural gas.

The objective which the Borden commission appears to have had in mind was the desirable one of establishing liaison with the federal power commission in order to avoid the misunderstandings and deadlocks which might all too easily arise in the matter of the export and import of natural gas. We desire that a basis of effective co-operation in satisfying our respective national interests be established with the federal power commission, but the arrangements suggested by the Borden commission raise questions for both countries which may have implications not fully foreseen by the commission. Both the federal power act and the natural gas act might have to be amended by congress to enable the federal power commission to participate in such arrangements.

The federal power commission is, we understand, required to conduct its deliberations, as contrasted with its hearings, in private without any interested party being present.

From another viewpoint, it would be embarrassing for either government to have the regulatory agency of the other government make a decision adverse to its interests when a member of its own regulatory body had participated in the events leading up to such a decision. For these reasons the bill will give the board a general power to recommend the establishment of co-operative relationships with other agencies. Under this power a satisfactory relationship will, we are sure, be worked out and be given appropriate recognition by such action of the two parent governments as may be necessary. The best solution will have to be found in the light of experience and the possibilities that exist for such co-operation.

Perhaps this would be an appropriate point to mention that the government has not accepted the Borden commission's recommendation 28, "that a member of the national energy board be appointed in due time to the Canadian section of the international joint commission." The recommendation appears to be inconsistent with the principle that a quasi-judicial body such as the latter should not have as a member representative of a party which may be directly interested in proceedings before it. Presumably such a member would be expected to disqualify himself in international joint commission cases in which the national energy board had such an interest, a step which would make the dual membership arrangement sterile.

To revert to the research and advisory functions of the board as set forth in the bill, hon. members will have noted that the board will be expected to avoid unnecessary duplication of existing research facilities and sources of information within the government of Canada. Conversely, where such information is not readily available from these or other sources of information, the board will be enabled to secure any information it needs by exercising the powers of commissioners under part I of the Inquiries Act. The relevant paragraph of the Inquiries Act is section 4, which reads:

> The commissioners have the power of summoning before them any witnesses, and of requiring them to give evidence on oath, or on solemn affirmation if they are persons entitled to affirm in civil matters, and orally or in writing, and to produce such documents and things as the commissioners deem requisite to the full investigation of the matters into which they are appointed to examine.

This power should, in the view of the government, be given the board to enable it to fill certain gaps in the information available to it through other channels. For instance, section 15 of the Statistics Act prohibits the release by the dominion bureau of statistics of figures relating to individual companies, with the exception of carriers and public utilities. It will be recalled that the Borden commission in support of its recommendation 19, that the importation into Canada of crude oil and petroleum products be made subject to licence granted by the national energy board, argued that such licensing was required—

> —to provide the government of Canada, through the national energy board, with basic information respecting the origins, cost, transportation charges and laid-down cost in Canada of crude oil and petroleum products—

Licensing appears to be an inappropriate method for obtaining the desired information. The preferable method of ensuring that necessary information can be obtained is through the powers conferred by the Inquiries Act. The exercise of these powers is restricted to the advisory functions of the board.

The next broad function of the board would be the exercise of control over the construction and operation of pipe lines for the transmission of hydrocarbons and the issuance of certificates of convenience and necessity to authorize the construction and operation of such pipe lines. This part of the bill is drawn very substantially from the present Pipe Lines Act. The national energy board would, however, replace the board of transport commissioners as the responsible agency.

It is here that one of the important differences exists between this bill and the recommendations of the Borden report. Recommendation 15 of that report was, in essence, that anyone wishing to build an oil or gas pipe line subject to the jurisdiction of the parliament of Canada must obtain a certificate from the national energy board; recommendation 32 was that no application for leave to construct a pipe line should be entertained by the board of transport commissioners unless the applicant had such a certificate from the national energy board. The board of transport commissioners would also regulate oil and gas pipe line transmission rates.

The Borden commission did not believe that any purpose would be served by transferring these functions to the national energy board. Transfer of the board of transport commissioners' functions would, in the view of the commission, not only mean an unjustified duplication of administrative machinery and personnel but would ignore the whole of the experience in this type of work now embodied in the board of transport commissioners. In the commission's opinion, as expressed in the report—

> —the problem involved in assessing Canada's energy resources and needs and in relating these and the implications of other energy studies—

Which the commission has recommended should be carried out by the national energy board:

—to the issuance or withholding of licences or certificates of public convenience are distinct from the regulatory function which the commission has recommended should be carried out by the board of transport commissioners with respect to oil and gas pipe line companies.

In practice any duplication of administrative machinery and personnel would be more apparent than real. The personnel of the board of transport commissioners and its staff who are familiar with the oil and gas industry are not as numerous as the commission may have thought. The board of transport commissioners has had one engineer employed full time on pipe line work, one engineer part time and one stenographer. Changes have recently occurred in the board itself due to resignations and retirements. Consequently in transferring these functions to the energy board there would seem to be little danger either of duplicating personnel or of losing valuable experience.

On the other hand, to ask two boards to deal with somewhat different but closely related aspects of pipe line matters would certainly invite duplication and confusion, both within the government service and among applicants who would have to appear before both boards, and who would find difficulty in satisfying either board in the absence of decision by the other. We do not wish to add to the administrative burden on industry in submitting applications.

Under the present bill, therefore, the board of transport commissioners will have no power over pipe lines, except in so far as its permission is required for the crossing of railways by pipe lines. The energy board will issue certificates of public convenience and necessity which at the same time will be "leave to construct" orders, in the sense in which that term has been used by the board of transport commissioners. The energy board will also issue "leave to open" orders. That is, it will discharge the functions now held by the board of transport commissioners as regards the public safety aspect of pipe line regulations. It will also regulate the transmission charges of both oil and gas pipe lines, a function in which the board of transport commissioners has had no experience but which the Borden commission recommended it should assume.

Although it was not so recommended by the Borden commission, all certificates issued by the energy board will be subject to the approval of the governor in council, as will any regulations made by the board governing their issuance. New major pipe line projects appear likely to raise questions of national policy so important that decision on them should be reviewed in this way.

It will be noted that certificates are to be issued only for pipe lines transmitting hydrocarbons. The by-products of the processing of gas, mentioned in recommendation 15 of the Borden report, will consequently remain unregulated as regards transmission by pipe lines unless they fall within the definition of hydrocarbons. Sulphur, the chief by-product, which is not a hydrocarbon, is neither a form nor a source of energy, and consequently lies outside the area of reference of this legislation.

In addition to certificates of public convenience and necessity, the Borden commission suggested that licences also be required. Recommendation 16 reads as follows:

That the national energy board be authorized to require any company engaged in the transmission across provincial boundaries by pipe line of crude oil and petroleum products and natural gas and by-products thereof, to obtain a licence from such board.

Recommendation 20(f)(ii) suggested that the board should have authority to grant, revoke or suspend such licences, upon such terms and subject to such conditions, if any, that the board might decide. Recommendation 21(c) suggested that among the factors to be considered in issuing such licences should be: (i) the direction of movement and destination of the contents of the pipe line; and, (ii) the volume proposed to be transmitted. The licensing of interprovincial oil or gas movements was included since, in the commission's view, and again I quote the commission's words—

"—control of such matters as the volume so transmitted, the direction of flow and the destination of the oil and gas within Canada is essential to ensure that the public interest can be protected in the effective use of these resources".

Licensing would not be on an annual basis, but the original licence would be re-examined whenever changes in the operation of a line were to be made with regard to direction of flow or substantial increases in volume.

None of these recommendations has been implemented in this bill. The view has been taken that the direction of movement, as well as the initial and ultimate capacity of any such pipe line, would have been specified in the application for a certificate of public convenience and necessity. Any change of direction, or capacity beyond the specified limits, would require application for a further certificate, so for these reasons a licence would be superfluous.

An extension of a pipe line would also require an application for an additional certificate. A change in the proportion of throughput delivered to various destinations along

the certificated route would in most circumstances result from normal business considerations, and would hardly require a licence for any reason of public policy. There is intense competition among the various fuels and energy sources; therefore there is a strong impetus for a pipe line company to maximize its volume and minimize its unit costs in all markets in which it can compete.

Service to new markets by construction of new sales laterals would involve either (1) construction of laterals contemplated in the original application and therefore covered by the original certificate; (2) construction of long new laterals not contemplated in the original application and therefore requiring a new certificate; (3) construction of short laterals coming within an exemption procedure provided in the bill; or, (4) extension of service by direction of the board, also as provided in the bill. None of these cases would appear to require a licence, as distinct from the required certificate.

Finally, the volume to be transmitted would either be within the capacity originally certificated, within which range business conditions and decisions would appear to be the effective determinants, rather than the licensing procedure; or major increases in volume would require major looping, which would require a further certificate.

There is an historical justification for export licences, in that electricity and gas exports have been dealt with under earlier legislation in order to ensure that these energy forms are not alienated unless they are clearly surplus to present and foreseeable Canadian requirements. An export licence is also required to satisfy the requirements of the federal power commission as to the availability of gas to fill export contracts. However, the considerations affecting the public interest in the operation of pipe lines within Canada are different; non-discrimination, non-exploitation of quasi-monopoly positions, avoidance of unnecessary and uneconomic duplication of facilities, economic access to energy resources, and the public safety are the kinds of consideration that underlie control of domestic pipe lines. These considerations are taken into account and dealt with in the bill without introducing a separate licensing procedure.

There is provision in the bill to ensure that a certificate may be suspended or revoked if its terms and conditions are violated or if the operation of the pipe line is conducted in a manner not in compliance with the act, the regulations thereunder, or any lawful order of the board. Finally, the bill provides that a pipe line company may not, without leave of the board, sell, lease, amalgamate or abandon its facilities; a certificate and the privileges and immunities provided by it, would be transferable only by leave of the board.

The experience of the federal power commission in the United States is that it is unnecessary to issue an operating licence as well as a certificate of public convenience and necessity. In fact the order of the federal power commission approving an application is itself regarded as the certificate of convenience and necessity and is the only authority a pipe line company requires to construct, maintain and operate the facilities specified. There is a separate requirement of a presidential permit to export or import gas, comparable to the proposal in this bill that there continue to be in Canada a separate procedure and licence required in respect of export and import of gas.

In our view no useful purpose will be served by requiring a pipe line company to obtain a licence to operate in addition to a certificate of public convenience and necessity, leave to open and any export or import permit required. To set up two requirements instead of one would tend to add to administrative work without serving any useful purpose. It would seem more or less immaterial whether the basic permission is described as a certificate of public convenience and necessity or as a licence for which the basic consideration would be the public convenience and necessity. By whatever name, one permission should suffice for the purpose specified.

In addition to the certificate procedure for pipe lines which I have been discussing, the bill provides a parallel, though more briefly outlined, set of arrangements for international electrical power lines. Power export licences have been issued in the past under the Exportation of Power and Fluids and Importations of Gas Act. The construction of facilities to export power was subject to the same licensing arrangement. What is here intended is to improve the consistency of the statutory requirements by applying the certificate procedure to the construction of the physical facilities to export power, in parallel with the procedure applied to the construction of pipe lines for the export of gas. The export of power will require a licence as before, but it is now to be issued through the same agency and under the same statute that will govern pipe line construction. It is not intended to impose any regulation upon the construction of interprovincial power lines, since most large systems are either provincially owned or under close provincial control and are merely interconnected one with the other.

I come now, Mr. Speaker, to the very important question of the criteria which the bill

will require the board to apply in dealing with applications for certificates of public convenience and necessity for pipe lines and international power lines. In considering what should be specified the government was mindful on the one hand of the possibility that a detailed list of criteria might result in some danger of restrictive interpretation by the courts if they were to take the view that what is not specified may not be taken into account; on the other hand, a too general description might afford insufficient guidance to the board.

The bill will enable the board to consider all such matters as appear to it to be relevant to the question of public convenience and necessity, while at the same time suggesting to the board that it may take into account certain more particular considerations. In wording these considerations we had regard to section 12 (3) of the Pipe Lines Act, recommendation 21 of the Borden report, section 15 (3) of the Aeronautics Act and a set of 24 points which the board of transport commissioners has embodied in a memorandum for its own guidance and for the guidance of applicants in leave to construct proceedings before it.

The part of the bill which has to do with traffic, tolls and tariffs lies at the heart of the legislation and is perhaps the most important single new feature. The Pipe Lines Act provided for the control of the traffic, tolls and tariffs of oil pipe line companies once such companies had been declared by the board of transport commissioners to be common carriers. However, although the major oil pipe lines have in fact acted as common carriers they were never declared by the board to be such, and accordingly their traffic, tolls and tariffs have never been controlled. The charges of gas transmission pipe lines have not been subject to any control.

Gas prices at the point of production are regarded by the provinces of origin as being under their jurisdiction, and gas prices to the ultimate consumer are controlled by the province in which consumption takes place. The government of Canada has had the power to exercise control over the price of gas being exported under the Exportation of Power and Fluids and Importation of Gas Act. It has long been felt by many people, including the members of this government, that the gap in regulation of the price of gas between the point of first sale and the point of sale to distributors in the area of consumption was a gap which in the public interest should be closed.

The case for regulation of gas transmission charges is fairly straightforward. The commodity which gas transmission companies provide is in competition with other energy sources, so they are not so clearly in the position of a monoplistic public utility as are, for example, water services. However, few if any of their customers can turn to another source of gas, and if they do turn to another energy source they incur the expense of installing different equipment. The gas transmission companies are therefore in a partial monopoly position, and the public interest requires that they should demonstrate that their rates are not such as to constitute exploitation of that quasi-monopoly position.

At the same time, since they must compete at the point of origin for supplies of gas and compete at the point of sale with other fuels and energy sources, there is a substantial element of risk for gas transmission companies. For this reason they must not be prevented by regulatory action from earning a return sufficient to attract capital, nor must management be deprived of the normal incentive to improve efficiency.

We hold the same view about oil pipe line operations. Here there is the added factor that it is more feasible for the pipe line customers to obtain their oil from other sources. Also, the competition between oil and other fuels is perhaps more intense than the competition faced by gas, and the results of oil pipe line operations are accordingly more subject to fluctuation. Some oil producers can find an outlet to market through only one pipe line, and some refineries are similarly dependent on one pipe line. Oil pipe lines therefore have some of the characteristics of monopoly, and the argument for some regulation in the public interest therefore applies.

Neither in the case of oil pipe lines nor in the case of gas pipe lines will the public gain anything if regulation is so restrictive as to put the pipe lines out of business, or discourage their normal development, or impede the building of new pipe lines to serve new or expanding markets, or restrict the essential work of exploration and discovery of further reserves of oil and gas. Our objective, therefore, is to find the means and level of regulation that will adequately protect the public interest, and particularly the interest of the consumer, while maintaining healthy conditions for the pipe line industry, the oil and gas producing industries and the industries distributing oil products and gas for consumption.

The bill does not specify a formula which the board is to apply in examining and, if need be, in setting tolls and tariffs. On the contrary, we are convinced that it would be an error to crystallize in statutory form a single formula to apply to all the companies in either the oil pipe line or gas pipe line industries. Certainly no single formula would

apply to the two industries, where the nature of business and the inherent risks are so different. The circumstances of individual companies differ widely one from another, and the circumstances of the industries as a whole change so substantially over time that any single rigid formula would be found inappropriate almost before it could be applied.

What is needed here is flexibility combined with an understanding of the industries involved and of the public interests affected. We hope to provide this through a board of competent men, served by well trained and experienced staff, appreciative of the public interest and of the needs and problems of the industries concerned.

This board will, I am sure, in due course draw up and publish a set of rules which will provide a firm framework for rates. It would, however, be unfair to the proposed board, to the industries and to the public to establish at the outset some untested statutory formula which would bind the hands of the board for the future.

This explains why there is not in the bill any reference to the shareholders' equity formula proposed by the Borden commission in its recommendation 12. In fairness to the Borden commission I should like to draw attention at this juncture to a paragraph in its report which has perhaps been overlooked by some of those who have criticized that recommendation. I quote from the report, page 41:

> We have carefully considered whether the proposed legislation should fix the rate of return to be allowed on the shareholders' equity and whether this rate might be different in the case of oil or gas pipe lines or, alternatively, whether these matters should be left to the discretion of the Board of Transport Commissioners for Canada. We have concluded that it is preferable to allow the board to exercise its discretion in this regard, recognizing that in so doing it will strive to exercise its powers in a fair manner and authorize rates, and thus a level of earnings, having regard to the circumstances of each case, sufficient to attract the necessary capital. The flexibility which will obtain under such a plan is, in our view, particularly desirable.

Gas transmission pipe line companies buy gas outright at the point of production or processing and sell it outright to their customers. In this they are unlike the oil pipe line companies which in general carry oil owned by either producers or purchasers for a toll which is part of a published tariff. It is not the practice in peacetime to control prices of commodities in internal trade, but it is normal to control transportation or transmission charges, as in the case of railway freight rates. The bill therefore provides for treating as a toll a certain proportion of the difference between the price paid by the transmission company for the gas and the price charged by the company to its customers. The fixing of this proportion is to be left to the board.

I wish to turn now to the question of exports and imports. The provisions of the bill in this regard will replace the corresponding provisions of the Exportation of Power and Fluids and Importation of Gas Act, and differ from the latter in several important respects. First, export and import licensing will in future be administered by the national energy board rather than being dealt with by the Minister of Trade and Commerce. Second, the statutory provision for the imposition of export duties on electric power laid down in section 4 of the existing act has been omitted from this bill and taken up instead in the Excise Tax Act. Third, the export of oil is no longer to be licensed unless a proclamation to that effect is issued by the governor in council. The licensing of oil imports, which is not regulated under present legislation, may similarly be instituted by proclamation.

It will be noted that the term "fluids" dating back to the original act in 1907, has been omitted from this bill to be replaced by gas and, by proclamation, hydrocarbons which include gas and oil. "Fluids" were defined as gas, oil, water or any other fluids whether liquid or gaseous, that originate or are produced or recovered in Canada. While the export of fluids was defined as their transmission through pipe lines and other like contrivances, the power to license exports of water was not called into use until 1955, when it was used in reference to a power project on the Arrow lakes on the grounds that the weir involved was a "like contrivance". The passing of the International Rivers Improvement Act later that year, however, obviated the need for further control of this sort. Two other fluids, salt in solution and wood pulp in aqueous suspension, were also caught by this definition and brought under licence. Since the intent of this bill is to deal with energy matters and not the incidental use of water as a transporting agent for non-energy commodities, only the export and import of gas, and by proclamation oil, and the export of electric power will be controlled by the proposed legislation.

Perhaps the most important difference is that export and import licences will in future be issued only after public hearing. It has long been a just cause of public complaint that the existing procedure provided no means by which interested parties could appear, be heard, and examine applicants for an export licence, and that the Minister of Trade and Commerce has been under no obligation to state what considerations he had before him

in approving or denying a licence. The public hearing process, which in the bill is provided for in that part which deals with the organization of the board, will at once afford better protection to the public interest in these important decisions, and a more satisfactory way of dealing with applications from the point of view of the government and of the various parties concerned.

It is intended that the governor in council's approval of export and import licences, and of their cancellation or suspension, will be required. This will be expressed in the regulations. One such regulation will be that no licence for the export of gas or power or the import of gas will be valid without the approval of the governor in council. The reason for this approach is that in the event it is decided to put into effect the proposed permissive power to license imports and exports of oil, it would be undesirable to make every licence for every import of oil affected dependent upon approval of the governor in council.

The term of export licences is not to exceed 25 years. This upper limit is regarded as the term likely to be required to enable financing of gas export pipe lines. It is intended to continue the policy of limiting electric power export licences to one year, unless exceptional circumstances justify a longer term.

Before issuing an export licence for gas or electric power, the board would have to be satisfied on the reasonableness of the price to be obtained. The attempt to reconcile exports and domestic price which was expressed in regulation 9 under the Exportation of Power and Fluids and Importation of Gas Act has proved inadequate, since the conditions specified were found never to exist. As in the case of rate regulation, it was the conclusion of the government that any rigid statutory formula would probably be more harmful than helpful. The price and other considerations which the board is to apply to export applications are therefore expressed broadly. The principles will be that quantities to be exported should not exceed the surplus remaining of proven and potential reserves after allowance for reasonably foreseeable Canadian requirements, and that the export price should be just and reasonable in relation to the public interest.

The matter of import and export restrictions with regard to oil requires some particular attention. The measure now before us provides that the application of that part of the bill dealing with exports and imports may, by proclamation of the governor in council, be extended to oil.

National Energy Board

I shall first deal briefly with exports of oil. Under the Exportation of Power and Fluids and Importation of Gas Act, exports of oil require a licence, which in the case of oil pipe lines has been freely granted on an annual basis. So far as I can determine, the licensing requirement was applied by an analogy with the reasons for regulating exports of power and gas. The analogy is not valid, because oil, unlike power and gas, is a commodity moving fairly freely in world trade, moving from a variety of sources to a given market or from a given source to a variety of markets, and moving by various means of transport, of which pipe lines and water-borne tankers are the most economical.

Gas and power, by contrast, move by fixed channels under long term contracts at the source and long term contracts in the area of consumption, so that once committed to a market they cannot be withdrawn without hardship. A gas export service once established must continue for a substantial period to enable the enterprise to attract capital in the first place, and to permit amortization of the necessary investment. Interruption of such export service is apt to be a source of international friction. Hence there is a clear case for being cautious about permitting exports of any power or gas which we are likely to require ourselves, but with respect to oil these conditions do not apply.

As in the case of other important products moving in trade, our interest and the interest of the industry is to sell oil where we can, either within or outside of Canada. Therefore we feel there is no requirement of national policy to be served at present by licensing exports of oil. On the contrary, we have only recently been successful in obtaining exemption from the restrictions imposed by the United States on oil imports, and it would ill accord with the treatment we are now receiving from the United States to establish new restrictions on the export of oil.

The case with respect to licensing of imports of oil is different and more complicated. I do not propose to argue that case fully today. It would be premature to do so until the second report of the Borden commission in respect of this matter has been received and considered.

There are, however, certain obvious considerations to be kept in mind. I referred a moment ago to the recently announced exemption by the United States from its import controls of crude oil, unfinished oils and petroleum products moving into the United States by pipe line, rail or motor carrier. Canada is the principal beneficiary of this arrangement, which will improve our exports of crude oil and will also restore the less

important but still significant export trade we have been building up in refined products and in liquefied petroleum gases. In the light of this favourable outcome of our negotiations with the United States, it would seem unwise at the present moment to take any action by way of import controls which might give rise to misunderstanding and possibly call the present arrangement into question.

Some persons have recently been inclined to minimize the importance of these United States exemptions. Actually the prospects for increasing our exports of oil are very encouraging. In the Puget sound market, where there are three large refineries which are logical customers for Canadian oil moving through the Trans Mountain pipe line, the July purchases nominated by General Petroleums will, I understand, rise from 15,000 barrels per day to 27,000 barrels per day; those of Shell from 12,000 to 20,000 barrels per day, and those of the Texas Company from nothing to 8,000 barrels per day, a total increase from 27,000 barrels to 55,000 barrels per day or an almost immediate doubling of our sales in this natural export market for Canadian oil.

There are many other considerations important to this question of imported oil, and particularly its relevance to our general commercial policy and trade relations with other countries. The government has been weighing these considerations, and will continue to do so.

Last Monday evening the hon. member for Ottawa West (Mr. McIlraith) referred to certain doubts he had about the proposal to give the governor in council power to impose by proclamation licensing requirements on the imports and exports of oil. His reservations were on two scores. The first—and these are his words which are to be found at page 3783 of *Hansard*—was this:

> —that this is a matter of such importance and of such a nature that it should be dealt with by parliament and not be taken to the governor in council by way of arbitrary authority.

His second point—and again I quote his own words—was this:

> —so long as that power is contained in the legislation, then we are going to have a situation where a threat is going to be hanging over the heads of the industry at large that the board will interfere by way of regulation, and that is damaging because of recommendation 19 of the Borden commission report.

I would assure the hon. member and the house that these points have indeed been taken into account by the government in preparing the bill, and that only after careful thought have we come to the conclusion that in the present circumstances the merits of the course we propose must outweigh the disadvantages to which he has referred.

He is quite right in thinking that some uncertainty will remain but it is not, however, the threat of frivolous or unnecessary government intervention. It is the threat that the present world-wide conditions of surplus supply which exist in the oil industry will result in so great a decline in world prices, and such great pressure of supplies of oil offered at distress prices, that normal marketing arrangements may be overwhelmed. If this were to happen, very serious injury could be caused to the oil producing and processing industries in this country.

It is against this contingency that we consider it necessary to take the power under discussion. If the need arose it would in all probability arise quickly, and would require quick action to avert serious disruption. For this reason it is proposed to make the power applicable by proclamation.

Mr. McIlraith: Would the minister permit a question just at this point for purposes of clarification?

Mr. Churchill: Yes.

Mr. McIlraith: In dealing with the point I raised at the resolution stage, would he comment on the (b) part of recommendation 19 of the Borden commission report, in relation to the point with which he is now dealing?

Mr. Churchill: In view of the length of the (b) part of recommendation 19, after the hon. member has had an opportunity of contributing to the discussion and when we reach the conclusion of the debate I might comment on that point and others that he may raise.

I should now like to deal with the limitations upon the authority of the board. The bill does not give the board any power to regulate coal, atomic energy or uranium, or matters having to do with electrical power except for export of such power. Neither does the bill propose any alteration of the arrangements under which our negotiations with the United States for a mutually satisfactory program of development of the Columbia river basin are being conducted, though I am sure those who are now involved in those negotiations on the Canadian side will look to the board when it is established for co-operation and assistance. While the board's advisory functions require that it be free to study any aspect of energy, we do not believe it would be profitable under present circumstances to disrupt the existing agencies involved in these related fields.

Great care has been taken to ensure that in its vital actions, particularly as to certificates of public convenience and necessity, import and export licences, and the establishment of regulations, the board must have the approval of the governor in council. This is intended to ensure that the decisions of the board which affect the national interest are consistent with general government policy. At the same time we have sought to assure the security of tenure and independence of the board and its staff. This balance between independence and responsibility to parliament is always somewhat difficult to achieve; we believe that here we have proposed a satisfactory equilibrium.

While we have sought to arrange that the findings of the board shall be final, as should be the factual findings of any expert board, we have been careful to preserve the right of the citizen to appeal to the highest courts of the land on matters of law and jurisdiction. Also, I would emphasize again that we have sought with great care to avoid any interference with the proper jurisdiction of the provinces.

Throughout this statement I have indicated our desire to strike a balance in discharging our responsibilities between, on the one hand, the public interest in the sound development and use for the benefit of the people of Canada of our vast and vital energy resources and, on the other hand, the essential requirement that enterprise be left free to make its own decisions so far as may be consistent with that public interest. The functions performed by the energy and related industries are of great importance to the well-being of our country, and we do not wish to hamper or impair the ability of these industries to perform their services. Hence we have drafted a bill which is general rather than particular in respect of formulae to be applied in regulation, because only through stating our intentions in somewhat general terms can we preserve that flexibility which we feel is essential.

Finally, may I point out that we have attempted to arrange that the transition from the present situation to that envisaged under the bill can be accomplished without delay, disruption of activity, or duplication of effort. We have sought to provide that the existing rights of companies which will be under the jurisdiction of the board will be fully protected in so far as is consistent with such new functions as rate regulation. We have provided for time within which such companies can accommodate themselves to the new statute, and have sought to avoid placing a sudden and difficult burden of requirements upon them. We have provided that matters now before the board of transport commissioners under the Pipe Lines Act, and matters now before the Minister of Trade and Commerce under the Exportation of Power and Fluids and Importation of Gas Act, shall be transferred to a similar position before the new board without loss of status or repetition of effort.

The house will decide the nature and extent of the debate on this major issue which is of such importance for Canada's future. I hope that full discussion will result in complete clarification of a subject that is not devoid of complications. At the committee stage there will be an opportunity of considering the details. The general principles I have attempted to set out today. This bill, if enacted, will set the pattern for the development and use, in the national interest, of the great resources of energy which are the endowment of our country.

Mr. Armand Dumas (Villeneuve): Mr. Speaker, the minister has placed some interesting information on the record. We are grateful to him for having done so. The large amount of information he has decided to place on the record is a good indication of how important this proposed legislation is.

(Translation):

Mr. Speaker, after reading or hearing the remarks made in the house last Monday by the minister, when he had the responsibility of moving that legislation be introduced to establish a national energy board, one might have wondered whether the government intended to incorporate in such legislation a large proportion, if not all, of the main recommendations found in the interim report submitted by the Borden commission on energy. Indeed, the minister himself, in the debate on the resolution, after briefly commending the commission for the conscientious discharge of its heavy responsibilities, made this specific statement:

> Many of its recommendations are to be implemented as will be clear when the bill is before the house.

Well, Mr. Speaker, we have gained a quite different impression now that we had a chance to take a good look at the contents of the bill. We now feel that the government has been prompted by many other authors than those of the preliminary Borden report.

Everything in this bill which might be considered consistent and sound has been borrowed from the pipe lines act, from the Exportation of Power and Fluids and Importation

of Gas Act, from the Railway Act, and, I would even say, from various recommendations made late in 1957 in the final report prepared by the Gordon commission on Canada's economic prospects.

Mr. Speaker, all essential parts of the bill are borrowed from the various acts just mentioned and from recommendations which are exactly similar to those of the Gordon commission. The non-essential parts, those that are contentious or even prejudicial to our industry or to the public interest are the government's own ideas or have been suggested by the Borden commission report.

I shall come back to this point a little later in my remarks, and we also shall have the opportunity of emphasizing what I just said when the house sits in committee on the various sections of the bill.

Mr. Speaker, in a detailed study of power prospects in Canada, prepared and edited at the urgent request of the Gordon commission by Mr. John Davis, who is an expert in this field, we find abundant information on this country's hydraulic resources, on coal, oil, natural gas, nuclear energy, as well as on tidal and solar energy.

For the first time in Canada, a complete study of mutual relations between the various power industries has been made in the said document by that great expert, Mr. Davis. That study enables us to form some estimation of the rate of growth of Canada's power requirements in the next 20 or 30 years, and of the changes that will occur in the consumption of the various forms of energy and in the relative contribution of various power resources to satisfy the needs of the country. I might add that if this government had really sought to be consistent and had tried to act as promptly as had been implied, it would have gone ahead, on the basis of this survey, and would immediately have established a national energy board, in the fall of 1957 or early in 1958.

The Davis study is divided in three parts:

(a) Energy consumption and economic growth;

(b) The energy supplying industries;

(c) Energy and Canada's economic prospects.

In part (a), or first part, in chapter 2 dealing with energy consumption and economic expansion, we read the following on page 19:

> Canada's industrial expansion in the 20th century can be interpreted not only in monetary terms but also by listing the ever increasing quantities of energy being put to use on the nation's farms, in its mines, stores, and factories, and in its homes. With the labour force today only little more than twice as large as that of 50 years ago but with better equipment, improved techniques, and—more significant still—with the help of about five times as much energy, the Canadian economy is turning out about six times as many goods and services as it was producing in 1900.
>
> Scarcely a field of endeavour but has benefited in one way or another from the increased availability of fuel and power. Today a farmer with power-driven equipment can harvest 30 acres of wheat for every acre he could have reaped a century ago, using hand tools.
>
> Each paper mill operator is turning out ten times as much newsprint as his forebears did around the turn of the century. To raise a ton of ore, the average miner took about two hours as recently as 1930, less than 50 minutes in 1955. Distance has become less of a handicap. On the railways, the latest diesel electric locomotive is capable of doing five times as much work as its steam driven counterpart at the end of world war II.

The report goes on to explain the great advantages of certain power resources we have here in Canada.

In part (b) of the Davis study dealing with energy supplying industries, the author has compiled a great variety of information on each of those industries.

In regard to the oil industry, for instance, Mr. Davis first makes an historical summary; he gives an outline of the world situation, deals with the prospects of Canadian oil and concludes by outlining a long-term program.

In the case of the natural gas industry, after outlining its background and dealing with prospective markets for Canadian gas, Mr. Davis explains the supply and demand pattern and gives details on its financing and development.

> Canada is exceptionally well endowed with water power resources. Being both large and conveniently located they have played a major role in its economic development. Among other things they have helped to make up for a lack of mineral fuels in central Canada. They have made possible the processing of forest, mineral and other primary products on a scale unmatched anywhere else in the world. And, by making low-cost electrical energy available to the nation's homes, farms, stores, offices and factories, they have contributed in innumerable ways to the exceptionally high standard of living which Canadians now enjoy.

A little further on, the report says:

> Thanks to a favourable climate and to the right kind of topography, to widespread precipitation, extensive drainage basins and readily harnessed water power sites, Canada has made tremendous strides in this important energy field. With the exception of the United States, this country has installed more hydro capacity than any other nation in the world. While Norway's per capita installation still tops the list at 1.6 horsepower, Canada is second with 1.1 horsepower, followed in order by Switzerland and Sweden.

There again, the report gives very instructive and important information. Later on,

on page 201, Mr. Davis concludes that part of his report by saying:

> Whatever happens, Canada's power industry will continue to grow both in extent and complexity. Accelerating as it does, it will help through its very momentum, to carry along with it the rest of the Canadian economy. Thus, in innumerable and in unforeseen ways it will continue to do what it has done so well before—that is to stimulate industrial development in those resources and allied fields where Canadians as a people possess their greatest natural advantage.

Those, sir, are the few paragraphs which I wanted to quote from the Davis study. Considered as a whole, that study is a precious source of statistical information of all kinds and there is no doubt that the government might well have sought inspiration from it and from the final report of the Gordon commission on Canada's economic prospects before submitting some legislation which would have met the demands of industry while ensuring the Canadian people of the best possible use of this country's power resources.

The final report of the Gordon commission was submitted in November 1957—a very significant date to keep in mind. Giving an overall picture of our power needs and resources the commission sums up the position as follows, as appears on page 143 of the report:

> Issues of this kind, in our opinion, should be examined within a context broad enough to include all forms of energy and all the energy industries. In this chapter, we have tried to suggest that, although there are a number of separate energy industries, the interrelations between them are close and complex. Each of the various energy resources has its own peculiar advantages which make it better suited than others for some purposes. Wood needs no processing before it can be burned as a fuel and is found almost everywhere, except on the prairies, so that it will still be used for heating in some outlying districts, although Canada's total consumption of fuel wood will continue to decline. Coal has both a high heat content and valuable metallurgical properties, and there are large reserves of it. It will continue to be essential in steel making and, after the passage of time, may begin to recapture some of the volume markets that it is now in the process of losing.

That is what we hope, Mr. Speaker.

> Petroleum products provide the most practical form of power for cars and trucks, and highway traffic will continue to depend on it almost exclusively. Natural gas is a particularly clean and convenient fuel and its special properties will always ensure for it many premium markets. Water power can be harnessed with a very high degree of thermal efficiency and electricity can be produced from it without exhausting any natural resources.

In its final report on Canada's economic prospects—a report which has been available to the government since the fall of 1957—the Gordon commission dealt at length with the vastness and significance of our power resources and having examined prospects for their exportation advocated the creation of a national energy board.

Mr. Speaker, I should now like to quote out of this report a few paragraphs bearing particularly on natural gas, which I think are worthy of special attention. This is from page 133:

> Wide availability of natural gas will obviously affect the consumption of other fuels and the prospects of the industries that exist to provide them. The area of competition with oil will be fairly wide, although the largest single market for petroleum products—in transportation—will be immune, since natural gas cannot readily be used to drive automobiles, aircraft, ships or locomotives. On the other hand, some of the natural gas liquids (i.e., propane, the butanes and natural gasoline) which are stripped from natural gas in the cleaning process, are well suited to drive internal combustion engines and may capture at least a fraction of the present market for refined gasoline and diesel oil. Heavy residual oils used as industrial fuel will also be displaced in some instances by natural gas.

Farther down, the report says this:

> The effect of this competition, however, may be reflected less in the output of Canadian refineries than in the volume of imported petroleum products, since the severity of the Canadian winter has made it necessary to import large quantities of fuel oil during the season of peak demand. The Canadian oil industry will also, of course, have the consolation of drawing additional revenues from the sale of the natural gas it will continue to have as a by-product from its field operations.

There ends the quotation with regard to natural gas. Farther on in the same chapter, on page 134, the commission deals with the importance of reserves and of export markets. I quote from the beginning of the paragraph:

> In spite of the very rapid growth that we anticipate over the next two or three decades in Canadian consumption of natural gas, reserves are likely to grow even more rapidly and make possible substantially larger exports to the United States than are now being contracted for. The growth of reserves will be a function of the demand not only for natural gas but for crude oil as well; it will also be affected by the government policies pursued in both Canada and the United States; so that any estimate must be subject to a wide margin of error. It would seem plausible, however, to expect reserves of natural gas to increase over the period from 21 trillion cubic meet in 1955 to perhaps 100 trillion cubic meet in 1980. If that estimate is not too wide of the mark and if Canadian consumption runs at about the rate we have forecast, the amount available for export twenty-five years from now might be one trillion cubic feet annually or about half the amount likely to be marketed in Canada.

Those figures, Mr. Speaker, are very important. They show the wisdom of doing whatever is necessary to develop, if possible, the part which is now considered as a surplus.

I now come to the proposal made at page 146 of the report, where the commission urges the establishment of a national energy board. Here is the recommendation of the

Gordon commission on this matter, and I would like to quote directly from page 146 of the final report, issued in November 1957:

> We assume that in connection with these intergovernment negotiations, the appropriate Canadian authorities are considering our long-term interests in the whole field of energy. These include not only the question of exporting electricity for periods long enough to permit the financing of new installations, but also our interests in export markets for oil, both crude and refined products, and for gas and its by-products.

And now, here is the essence of the Gordon commission recommendations:

> In order that a sound and comprehensive policy may be worked out with regard to development, exports, imports and consumption of all forms of energy in Canada, we propose that a national energy authority be established which would be responsible for:
>
> (a) advising the federal government and, upon request, any provincial government on all matters connected with the long-term requirements for energy in its various forms and in different parts of Canada; methods of promoting the best uses of energy sources from a long-term point of view; export policy, including such questions as the further refining of oil and gas in Canada and the disposal of by-products; coal subsidies, etc.
>
> (b) approving, or recommending for approval, all contracts or proposals respecting the export of oil, gas and electric power by pipeline or transmission wire, including, where necessary or desirable, the holding of public hearings in connection therewith.
>
> If this proposal is accepted,—

I repeat what I said Monday last.

> —the organization of the Dominion Coal Board should be merged with that of the proposed national energy authority. It is perhaps unnecessary to add that the proposed new body would not interfere with the rights of the provinces respecting control over natural resources.

Then, here—

(Text):

Mr. Morris: Will the hon. member permit a question which is intended only for clarification; it is not antagonistic. After reading these extracts from the final report of the Gordon commission, is the hon. member in a position to say whether his party favours the inclusion of coal in this energy bill, as was recommended in the extracts he just quoted, or does he favour the retention, as we do, of the dominion coal board?

Mr. Dumas: I said that on Monday, definitely. For the time being we do not agree that the coal board should be integrated with the national energy board. I said that very clearly on Monday. I shall say something more about this question later in my remarks.

(Translation):

Mr. Speaker, I had expected an altogether different question from the hon. member for Halifax (Mr. Morris). At all events, I shall be in a position, at the end of my remarks, to say or rather to repeat what I said Monday in the house about the Liberal party's policy with regard to Canada's energy resources.

(Text):

During the 1957 election campaign, Mr. Speaker—and this has been mentioned very often in this chamber—the Prime Minister promised the Canadian people quick and bold action on this matter. The Conservative party was going to encourage through specific measures, a greater degree of Canadian ownership in this field and the further processing in Canada of raw materials and by-products through the more efficient development and use of our sources of energy. I would like to quote from the remarks made by the Prime Minister in Toronto on February 4, 1957, at the annual dinner of the Toronto board of trade. Of course that was some time before the election of 1957. However, this is what the Prime Minister said:

> There is a need now for the setting up of a Canadian national energy board, with its membership composed of technical personnel, who might be selected by the president of the national research council of business organizations, of the dominion and provincial governments, to the end that the most effective use of the energy resources of Canada, in the interests of the public welfare, may be assured. We have vast resources of gas and oil and coal and uranium. I believe the time has come to set up such a board, whose duty it would be to advise and to recommend proposals regarding these resources, so that they may be safeguarded from prejudicial action now, ill-timed action to the detriment of this and future generations.

What was the situation in this respect after the general election and during the fall session of 1957? Did the government take action at that time, as was urgently required by our industry and as had been promised—that is the point—to Canadians? No, Mr. Speaker; it merely submitted the recommendation of the Gordon commission to another royal commission created for that purpose.

What did we on this side of the house have to say then about the creation of the Borden commission? Here is, for instance, what Hon. Jean Lesage, the former minister of northern affairs and national resources, had to say on November 13, 1957, at page 1082 of *Hansard*:

> In the field of energy, here, again, we have heard no policy announced by this government. We all know that the Gordon commission devoted a good deal of attention to this problem and will in its

final report make specific recommendations which were anticipated in its preliminary report. Before knowing what will be the final recommendations of the Gordon commission in this respect, the government appoints a royal commission whose main purpose is to make an inquiry on the recommendations of another commission before these recommendations are presented in final form. This is what can be called quick action, but what about the wisdom of the action. Of course, everybody knows why this royal commission on energy was appointed; everyone in Canada knows that it is to hide the fact that the Conservative party wants to continue the pipe line policy initiated by the past Liberal government.

Mr. Lesage continued:

That is why the royal commission on energy has been appointed. The Conservatives strongly criticized this policy of the past Liberal government and of course they do not dare admit publicly now the fact that they endorse the policy. What they wish to do is hide that policy of theirs behind a royal commission. They do not have the courage to admit they will have to follow our policy in this matter. They intend to escape their responsibility by appointing a royal commission.

What did we on this side of the house have to say about the creation of that royal commission? We said what Mr. Lesage said in the remarks I have just quoted.

In the fall of 1957, therefore, we on this side of the house contended that the appointment of the Borden commission was a means of shelving problems and a mere delaying tactic to enable the government to postpone taking a definite stand and specific action before the forthcoming election of 1958. That delaying tactic has worked. After a year of inquiry the Borden commission presented its first report in October, 1958. That report contained final recommendations only in so far as natural gas is concerned. We all recall also how widely that report and some of its sections in particular were criticized when the report was made public.

Then more delays were experienced. It was only on April 23, six months after the government had received the report, that a resolution appeared on the order paper. But again nothing happened. It was only after another month that the government decided at last to proceed with the resolution. The bill was made available to us for study only on Tuesday evening. Finally, after all these delays and hesitation and confusion, the government discovered that this was a most urgent matter and that the house should proceed with the consideration of the 101 provisions of the bill without any adequate time to study them carefully.

Of course, Mr. Speaker, I must say here that we are grateful to the Prime Minister for agreeing on Wednesday to postpone second reading of the bill until today. During the intervening hours we have had some time to study the bill, and for this reason we think this was a good move on the part of the Prime Minister, because it will accelerate debate at this stage.

We think this is an important piece of legislation. It is a long and complex bill which could have deep, long term implications on the future economic development of Canada. For this reason and also because of the long delays in bringing the legislation before the house, for which the government must assume full responsibility, we on this side of the house want to make clear that we are far from being satisfied about the haste shown by the government on this occasion. We claim that not enough time has been provided to hon. members for full consideration and study of the bill. We also believe that those individuals and groups more immediately concerned with this matter will not be able to analyse the legislation and make their views known in so short a period of time.

In the little time I have had to study the bill, however, I have been able to discover that this legislation is almost a complete repudiation of the Borden report. I am quite sure that no other royal commission has been more completely ignored and by-passed. This shows very clearly how right we were in the fall of 1957 when we claimed that the setting up of the royal commission was merely a delaying tactic used by the government to postpone action until after the 1958 election.

The bill we are now considering is not only a repudiation of the recommendations of the Borden commission but is also a repudiation of the definite promises and commitments made by the Conservative party to the Canadian people before the 1957 election. Most of the provisions of the bill are not new, as we intend to show at the committee stage when we will be able to consider the bill in detail. A great number of its sections have been taken without any change or without any substantial modification from the Pipe Lines Act and from the Exportation of Power and Fluids and Importation of Gas Act, as I mentioned at the beginning of my remarks in French.

The bill also contains a few new provisions which we think are clearly undesirable. It gives unnecessarily wide powers to the governor in council. This is surprising from a government which when in opposition was so critical of government by order in council. I should like at this stage to

give just a few illustrations of this undesirable feature of the bill. I am not going to quote the section, Mr. Speaker, because I know I am not permitted to do so at this stage of the bill, but I should like to point out that clause 87 says the governor in council may by proclamation extend to oil the provisions of the bill dealing with the export and import of gas.

Surely this is a most unacceptable procedure. With that provision the government is proposing to by-pass not only the Borden commission but also parliament. As we all know, the Borden commission has not yet made its final recommendations with respect to oil exports and imports. In spite of this the government is asking parliament to enact legislative provisions with respect to oil. Even if the government has already decided to ignore the recommendations the commission may make with regard to this matter, it might at least have waited to see the report before taking action. I do not think we should have that clause in the bill.

The Borden commission has now been placed by the government in an impossible and intolerable position. As far as we on this side of the house are concerned, we want to see what the Borden commission has to say on this subject before deciding what should be our attitude on this clause of the bill.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Dumas: Mr. Speaker, just before the house rose at one o'clock I was commenting on clause 87 of the bill, and I was telling the house that the Borden commission had been placed in an impossible and untenable position by the government. This is not the whole story, however, Mr. Speaker. According to this bill, the legislative provisions with respect to oil, after having been approved by parliament, will be implemented only if and when the government so wishes. This, Mr. Speaker, is legislation by cabinet and we certainly cannot accept such a procedure. We maintain that if and when the government feels legislative action is necessary with respect to oil it should then, but only then, ask parliament to take such action. The government is certainly not entitled at this stage to seek these wide powers when it does not even know how it will use them in the future.

Another illustration of government by order in council is provided by clause 85, paragraph 2, which enables the government to exempt any person, any product, any transaction and any area from the legislative provisions and regulations regarding export and import of power or hydrocarbons. This is another example of the wide, arbitrary power that the government is seeking in this bill. Parliament is asked to enact legislation and, at the same time, to authorize the government to exempt from the legislation all the possible cases which could be covered by it. We certainly cannot accept provisions which give such wide powers to the government.

Our attitude toward this bill is clear and simple. We approve its principle, which is to set up a national energy board. As a matter of fact, we have been in favour of such a board since January, 1958, at least. I should like, at this stage, to quote from the resolution approved by the Liberal party at the last convention in Ottawa, in January 1958 and which I quoted on Monday evening, May 18, 1959, as reported at page 3773 of *Hansard* for that date,

> We of the Liberal party advocate the integrated development in co-operation with the provinces of petroleum, natural gas, hydroelectric power, coal and all other energy sources across the whole of Canada to meet the needs of industrial and population growth. We advocate the establishment of a national energy authority to advise the government as to the long term requirements of energy in Canada, including the best methods of providing efficient long term uses in Canada and for export.

Therefore, in 1958 we were on record as favouring such a board, and this is long before the government decided to introduce the present bill. However, we do not want another board which will more or less duplicate what has already been done by other existing government agencies, and thus create further administrative delays and confusion. From this point of view, we feel that the functions of the board have not been clearly defined in relation to the responsibilities of existing agencies.

It is true that this morning the Minister of Trade and Commerce (Mr. Churchill) gave some information to the house on this subject. However, I should like to outline a few of the problems we will have on our hands if this division of responsibility is not made absolutely clear. The Minister of Trade and Commerce has failed, in that way, to tell us what will happen to the present agencies established under statutes of this parliament and operating within the field of energy. He said this morning that these agencies would continue to work, but we should have had more information regarding this problem. This question, of such fundamental importance, was almost ignored. Will these present agencies, and their functions, be integrated within

the framework established for the new national energy board? The minister should be more definite about that. Will certain parts of present agencies be brought under the aegis of the new authority, or will complete existing agencies be incorporated? Parliament should have such information.

It may be that all present agencies will be maintained—we were not given this understanding this morning—without any changes in their functions. If that is the arrangement contemplated, we are entitled to ask how the new board will discharge the duties assigned to it in the bill and still avoid extensive and inefficient duplication with existing machinery of government?

There is still another alternative about which we must ask, and that is whether it is proposed to wind up or liquidate some of the existing agencies operating in the field of energy. This is a matter of fundamental importance—

Mr. Lambert: Which ones?

Mr. Dumas: This is what we want to know; this is a matter of fundamental importance and for that reason we intend to press the minister for precise answers to each of these questions as they apply to each existing agency.

I want to list now the present agencies and governmental machinery operating in the field of energy. They are: the dominion coal board; the atomic energy control board; the international joint commission; the water resources branch of the Department of Northern Affairs and National Resources; the interdepartmental committee on energy. These are the main agencies and machinery. There may be others, but these are the ones which occur to me at the present time.

Before I deal with each of these more specifically, I wish to refer to a paragraph of the minister's statement at the resolution stage. A reading of this statement will illustrate the broad functions of the board in the field, and how any diligent exercise of such functions is bound to lead to duplication with the work of existing bodies. The paragraph reads, as recorded at page 3767 of *Hansard*:

> The board would exercise certain broad advisory functions ranging over the whole field of energy and sources of energy in so far as the parliament of Canada has jurisdiction over such matters.

Clause 22 of the bill, which I am prevented from quoting in full at this stage of the debate, confirms the interpretation I attach to the minister's statement, though the words used therein are "shall study and keep under review", and so on.

How will the dominion coal board be related to the energy board? The coal board operates under a separate statute, namely the Dominion Coal Board Act, and sections of the act, especially sections 6 and 7, seem to overlap directly the provisions of the bill now under consideration. Section 6 of the coal board act reads as follows:

> 6. The board shall study, review and recommend to the minister from time to time such policies and measures as it considers necessary respecting the production, importation, distribution and use of coal in Canada.

This is the statute of 1947, chapter 57. Then section 7 deals with research and investigation. I wish to quote clauses (d) and (f) in this connection. Clause (d) reads as follows:

> (d) the position of coal in relation to other forms of fuel or energy available for use in Canada;

Clause (f) reads as follows:

> (f) the co-ordination of the activities of government departments relating to coal;

My question now is this. How will the authority granted by parliament to the dominion coal board be affected by the authority of the new board? Coal is a source of energy; yet the new board deals with all sources of energy without exception.

I now turn to the atomic energy control board. This body operates under a statute, namely the Atomic Energy Control Act. Its functions are carefully described in a brochure published by the authority of the Secretary of State of Canada (Mr. Courtemanche) and entitled "Organization of the Government of Canada". As I read the functions of the atomic energy control board, I suggest to hon. members that they reflect on the obvious overlap with the new board. This is what we read in this little brochure published under government authority:

> The primary function of the board, as stated in the preamble to the act, is to make provision for the control and supervision of the development, application and use of atomic energy, and to enable Canada to participate effectively in measures of international control of atomic energy that may hereafter be agreed upon. The act, accordingly, provides for control by the board of materials, equipment and information related to atomic energy and for the making of regulations for these purposes. The act also authorizes the board to establish scholarships and grants in aid relating to atomic energy research.

Surely the role of atomic energy in the future energy supplies of Canada is of crucial importance. That energy source is under a board of its own. Can the new board successfully operate without concerning itself with atomic energy? If it does concern itself with that source of energy, how will it fit in, and relate its activities to the present atomic energy control board?

The same questions can be asked about the international joint commission. Its functions are described in the volume to which I have referred already as follows at page 160:

The commission deals with matters arising mainly out of the use of lakes and rivers in the border areas along the boundary between the United States and Canada.

We all realize, Mr. Speaker, that in the recent past the international joint commission and its Canadian section have been occupying much of their time with the development of power from the harnessing of international waters. Yet the new board will have the authority to deal with agencies outside Canada in respect of energy matters. It would be interesting, I am sure, for the house to know in what way the new energy board will function in relation to the international joint commission.

The dominion coal board, the atomic energy control board and the international joint commission operate under sanctions granted by this parliament. But there has been operating in this field the water resources branch of the Department of Northern Affairs and National Resources and an interdepartmental committee on energy. The work of the water resources branch of the Department of Northern Affairs and National Resources could hardly be more similar to the functions of the energy board. We want to know whether it is proposed to close out this branch, or whether it will continue along its present path which will of necessity involve duplication with the board.

The scope of the work of this branch and the extent to which its functions coincide with those of the new board can be readily seen in the report of the department for the fiscal year 1957-58, especially at page 44. I believe, Mr. Speaker, it is worth quoting two of these paragraphs:

The branch—

That is the water resources branch of the Department of Northern Affairs and National Resources.

—continues to provide technical advice to the Department of External Affairs and to the Canadian section of the international joint commission in their considerations and studies of international waterway problems which have arisen on various rivers across Canada. Among the most important studies of this nature undertaken by the branch are those of the Columbia and Fraser rivers. These two river systems comprise the bulk of the drainage for the whole of southern British Columbia, and their topography has permitted consideration of their interconnection by diversion from the Columbia river to the Fraser river system. Various possibilities for separate or combined development of these two major river systems are being given careful scrutiny.

Further in the report we read this:

The Yukon river has been the subject of previous study to determine the possibilities of diversion of its upper reaches into the Taku river system for power production in northwestern British Columbia. Since the Yukon river with its tributaries constitutes the bulk of the drainage system of the Yukon territory and hence is a federal responsibility, the branch continued its power resources reconnaissance survey, initiated in 1956. When this work has been completed, it will be possible to provide a reliable estimate of the power potential of the Yukon river system which might be developed within the Yukon territory.

Presumably, Mr. Speaker, the setting up of energy board will mean winding up the work of the interdepartmental committee on energy. I think we might take that for granted.

Mr. Churchill: Do not be too sure that you can take that for granted.

Mr. Dumas: I do not suppose the minister will have, in addition to the energy board, another interdepartmental committee. He may keep the agencies that we already have but I suppose that he proposes to wind up this committee. The existence of the committee was referred to by Mr. C. D. Howe, as reported at page 1538 of *Hansard* of 1955 as follows:

We have today an interdepartmental committee on energy. Any matter having to do with energy is referred to that committee. It is not a committee established by act of parliament; it is simply a committee of civil servants who have duties relating to the field of energy. The Department of Trade and Commerce have to do with the exporting of energy, all energy, and the Department of Trade and Commerce are privileged to bring this committee together, to bring the experts together to discuss any problem of export of energy with which the department is confronted.

From his later remarks, it appeared that Mr. John Davis, of the Department of Trade and Commerce, Mr. Hume, of the Department of Mines and Technical Surveys, and representatives of the Department of Finance, the dominion coal board, the Department of Northern Affairs and National Resources, the Department of Labour and—the then minister also thought—the international joint commission made up the interdepartmental committee.

Now I believe I have said enough to indicate the importance of knowing what will happen to existing bodies and agencies, and how they will be integrated within or related to the new board. We want precise answers from the minister. We intend to press until we receive such answers. We will be studying the bill in committee, and I hope that our criticism of the different sections of the bill will be constructive. We hope also that the government will do what it has to do to try to improve the said proposed legislation.

Although a great number of the provisions of this bill are not new, it is now proposed to create new procedures and a new administrative set-up to study, control and regulate a very important sector of the Canadian economy and of our international trade. Viewed in that perspective, this bill could

have, and undoubtedly will have, far-reaching implications on Canada's future. Will those consequences be favourable or unfavourable? I think at this stage that very few members in this house would be in a position to answer that question with any degree of certainty. That is why we hope the government will agree to send this bill, after second reading, to a standing committee of the house which would be in a position to give to those individuals and groups interested in this matter an opportunity to be heard. We think that this is a most reasonable request.

After all, this is a most important and complex matter. Very few persons have had an opportunity to express their views on this subject in the short time since the bill has been made public. It may be, although it is not at all certain, that such a procedure would involve a delay of a few days to secure the approval of the bill; but this should not cause any great inconvenience. Our objective in making that suggestion is not obstruction. Mr. Speaker, I can assure you, and I can assure the minister, that we wish to co-operate. We wish to do our best to work with the government and make this legislation what it should be. We merely want to be sure that the bill which will be enacted will be a good piece of legislation and will serve the best interests of our country.

The government recently decided on its own initiative to refer the unemployment insurance bill to the standing committee on industrial relations. I do not see how the government could now refuse to use the same procedure with respect to this bill which is much more complex and which could have far more important implications on the future of our country. I am quite sure that hon. members would welcome the advice which could be secured through the committee from the great Canadian experts in the field of energy. We are not pressing the matter, but I hope that the minister will give consideration to this request, and I repeat that in this matter we want to work with the government and make this piece of legislation something of which we will be proud.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the question of control of transportation rates and prices of energy in this country is a most important one. As a matter of fact, to a very large extent the future industrial life of Canada as well as the prosperity of Canadians generally depend upon the availability of cheap energy sources. It has become clear in very recent years that Canada has large supplies of natural gas and petroleum. We are an industrial nation, and we in the C.C.F. believe it is within the capabilities of the Canadian nation to develop our energy resources at low cost, and be able to provide this energy to Canadian industry and consumers.

It is on that basis that we approach the subject and the bill now under discussion. Mr. Speaker, this whole field was the subject of a very important inquiry by the Borden royal commission on energy. This inquiry took some considerable time. It cost the taxpayers of this country a great deal of money, and an exhaustive study has been made. As a matter of fact, in a return brought down in this house on February 25, it was shown that the cost of this royal commission has amounted to $317,124.52. It is therefore correct to say that the Canadian nation has invested a large sum of money in the inquiry that was made, and the recommendations that have been presented to parliament should be given every consideration.

Mr. Speaker, as I read this report and its recommendations, I think that some of the most important recommendations are contained in the list of recommendations and the suggested amendments to the Pipe Lines Act. Recommendation No. 11, paragraph (c) reads as follows:

> It shall be mandatory for the board of transport commissioners for Canada to regulate the prices or rates of gas pipe line companies subject to the jurisdiction of the parliament of Canada, and, in so doing, to require, if necessary, any such gas pipe line company to renegotiate the terms of any existing contracts for the sale or delivery of gas for distribution or consumption within Canada;

Paragraph (d) reads as follows:

> It shall be mandatory for the board of transport commissioners for Canada periodically, and at least once in every 24-month period during the early years of regulation, to review and, if deemed necessary, to adjust the prices, tolls, rates and tariffs of pipe line companies regulated by it;

This report refers to the board of transport commissioners. We do not quarrel with the fact that the government has decided to give these powers now held by the board of transport commissioners in this connection to the energy board. We feel that the recommendations apply equally to the powers that will be held by the energy board as they should apply to the powers now held by the board of transport commissioners.

Recommendation No. 12 reads as follows:

> That the prices, tolls, rates or tariffs of a company owning or operating an oil or gas pipe line, as regulated by the board of transport commissioners for Canada, should be just and reasonable, non-discriminatory and calculated to yield a fair rate of return on the shareholders' equity, after making due allowance for reasonable and proper operating expenses, depreciation, interest, income and other taxes.

Mr. Speaker, the recommendations contained herein are very clear. They ask that power be exercised by a board to regulate the prices or rates of gas pipe line companies

subject to the jurisdiction of the parliament of Canada and in bringing about these rates to require, if necessary, any gas pipe line company to renegotiate the terms of any existing contracts for the sale or delivery of gas or its distribution or consumption within Canada. The purpose of this section is to remove any injustice that presently is contained in the rates charged for gas in terms of distribution or consumption.

It is further recommended that at least every 24 months it shall be mandatory for the board to review and, if deemed necessary, to adjust the prices, tolls, rates and tariffs of pipe line companies regulated by it. These recommendations are that the board have wide powers and that the board must use those powers to set tolls and to regulate the prices of gas and oil.

The other recommendation to which I have referred was to the effect that the prices, tolls, rates or tariffs of the companies owning and operating an oil or gas pipe line shall be so regulated and calculated as to yield a fair rate of return on the shareholders' equity after having made due allowance for reasonable and proper operating expenses, depreciation, interest, income and other taxes. This is a most important recommendation. The whole purpose behind this recommendation is to remove from the calculations of cost the fabulous profits that have been made by investors and the controllers of gas and oil pipe lines in this country. This recommendation says that anyone who has invested money in these companies should receive a fair return on his equity. The purpose is to provide that Canadian industries and consumers will not be saddled with the high rates for energy that are necessary to pay large returns on the highly speculative and bloated profits and income that accrue to the controllers of the gas and oil industry.

These are the central recommendations and these are the recommendations the government has avoided. It is true that by this bill the government is setting up a board but the board is free to do almost anything it likes and indeed it is free to fold its arms if it so wishes and do almost nothing.

Clause 53 of this bill reads as follows:

> The board may disallow any tariff or any portion thereof that it considers to be contrary to any of the provisions of this act or to any order of the board, and may require a company, within a prescribed time, to substitute a tariff satisfactory to the board in lieu thereof, or may prescribe other tariffs in lieu of the tariff or portion thereof so disallowed.

The board has full discretion to sit on its hands indefinitely and let the speculators and buccaneers continue to make large and bloated profits from Canadian industry and consumers. That is the attitude of the government. The policy of the government has been to forget all of its statements in the past and to forget its well-known position that Canadian interests should be protected and Canadian energy resources should be developed by Canadian capital in the interests of Canadians. The government has forsaken that position and introduced this anaemic bill to set up a board the powers of which are not well defined and by this means to allow the exploitation of Canadian energy resources in the future and to allow them to remain in the hands of outside interests and overnight buccaneers and to remove these resources from direct and precise control by a board operating in the interests of this nation.

The royal commission on energy was instructed to inquire into this whole general field to see to what extent speculative and exorbitant profits had been made in this industry in the past. The commission has done a most thorough job in this regard. It inquired into the whole operation of Trans-Canada Pipe Lines Limited. I am convinced from reading the report that it was precisely because of the huge profits that had been made by a few people on almost negligible investments that the royal commission recommended that the people of Canada should not have to pay rates for gas and oil that provide fabulous returns on such investments.

We have heard a lot about Texas buccaneers from hon. gentlemen opposite in times gone by. This commission inquired into the extent to which Trans-Canada Pipe Lines Limited is controlled by outside sources. On page 74 of the report it is stated that as of June 1, 1958 the company that held the second largest number of shares in Trans-Canada Pipe Lines Limited was Canadian Delhi Oil Limited, Calgary, Alberta which had 542,885 shares. Looking further into the affairs of Canadian Delhi Oil Limited the commission at page 77 of the report had this to say:

> The commission has been advised that Mrs. Betty Lee Moor MacGuire, who was the registered owner at the date above referred to of 238,984 common shares of Canadian Delhi Oil Ltd., is a daughter of Mr. Lee Moor, an associate of Clinton W. Murchison of Dallas, Texas; that the partnership of Richardson & Bass, shown as the registered owner of 132,010 common shares, includes as a partner Mr. S. W. Richardson, a Texas independent oil operator, who is likewise shown as being the registered owner in his own name of 35,762 common shares of Canadian Delhi Oil Ltd. and that Clinton W. Murchison, Jr., and John Dabney Murchison, of Dallas, Texas, shown as the registered owners of 275,512 and 229,325 common shares respectively of Canadian Delhi Oil Ltd., are sons of Clinton W. Murchison, Sr., of Dallas, Texas.

Here is concrete evidence of the activities of Texas buccaneers to which the Prime

Minister (Mr. Diefenbaker) made reference in this house a few years ago. This is evidence of the extent to which Trans-Canada Pipe Lines Limited is controlled by people living in the United States.

With respect to profits that have been made on certain transactions the commission at pages 82 and 83 of its report had this to say:

Public financing of Trans-Canada was announced in February, 1957. The prospectus of the company is dated February 13, 1957. On February 1, 1957, Mr. Tanner exercised his option with respect to 15,000 shares and on February 6, 1957, with respect to 40,000 shares. As at June 1, 1958, Mr. Tanner held 30,800 of these shares, having transferred 15,000 shares principally to members of his family and 200 shares to the National Trust Company Limited, under a trust agreement, and having sold 9,000 shares for an aggregate price of approximately $263,400. As at the same time, there remained, 5,000 shares with respect to which Mr. Tanner was entitled to exercise his option before March 9, 1959.

Mr. Tanner under his agreement was obligated to pay to Trans-Canada for the 55,000 shares the sum of $440,000. At the middle of September, 1958, common shares of Trans-Canada were traded on the Toronto stock exchange at approximately $34.50 per share. Had Mr. Tanner retained these optioned shares and sold them at that time and at that price he would have made an apparent capital gain of approximately $1,457,500. This calculation does not take into account the 10,000 shares optioned to him by Canadian Delhi Oil Limited and the western group at $1 per share, which as previously stated he transferred to Mrs. Tanner. In addition, as noted above, Mr. Tanner still has the right, exercisable before March 9, 1959, to purchase an additional 5,000 shares of Trans-Canada at $8 per share.

Here is a man, Mr. Speaker who according to the royal commission on energy, a commission which cost the Canadian taxpayer over $300,000, who by way of an option and by no risk investment himself, stood to make in September of 1958, with shares at the price of $34.50, a capital gain of $1,457,500. This is the nefarious deal to which the Conservative members used to refer. This is the great betrayal under which one man has made $1,457,500 at the expense of the Canadian nation.

This deal was made, prior to this government coming into office, but what has been the attitude of this government? To set up a royal commission, yes, and a royal commission which brought in a report and said in effect that gas rates should not be set and oil rates should not be set at prices to give this man a $1,457,500 capital gain, but only a return on the equity that he has in the company. This, Mr. Speaker, is the recommendation of the commission and this is the recommendation that this government has refused to follow.

It was not only Mr. Tanner who made a fabulous profit. There was Mr. Charles S. Coates, of Houston, Texas, who himself had a very large option and has made very fabulous profits. The royal commission at page 85 had this to say:

As previously mentioned, public financing of Trans-Canada was announced in February, 1957, and the prospectus with respect to such financing is dated February 13, 1957. On February 11, 1957, Mr. Coates exercised his option in full. As at February 19, 1958, Mr. Coates still held 40,000 of these shares, having sold 10,000 shares in the fall of 1957 for an aggregate price of approximately $280,000. Accordingly, if one takes the price at which common shares of Trans-Canada were traded on the Toronto stock exchange in the middle of September, 1958, i.e. approximately $34.50 per share, and had Mr. Coates retained these 50,000 optioned shares and sold them at that time and at that price, he would have made an apparent capital gain of approximately $1,325,000.

This is another example of the fabulous profits that have been made at the expense of the Canadian nation because of the former government's pipe line action with regard to Trans-Canada pipe line. These are examples of fabulous profits that have been made by certain people connected with Trans-Canada Pipe Lines Limited. Look into any major gas company, look into any gas pipe line company in Canada, look into the financial picture of any major oil pipe line in Canada, and you are almost certain to find a duplication of the same kind of fabulous profits.

An inquiry was made into profits that resulted from the operation of the Northern Ontario Natural Gas Company. In the *Globe and Mail* of Friday, February 13, one finds the report that Mr. Farris purchased 37,500 shares for $300. He sold 22,500 of these shares for $318,300. He retained 15,000 shares, and at the price of approximately $14 per share at which shares are being traded today, this Mr. Farris, on an investment of $300, has a capital gain of $528,000. These are the very kind of fabulous actions that this government is protecting by this legislation in the rates which can be charged which will give a return on these fabulous amounts. Mr. Clark, another investor in the same company, purchased 58,549 shares for $9,072.50. He sold 30,149 shares for $146,215. He retained 28,400 shares, and on the basis of today's trading price this man, on a purchase investment of $9,072.50, is in a position to make $543,000. Mr. Newell, the third person mentioned, purchased 29,334 shares for $10,160. He sold 22,850 shares for $234,125. He still holds 6,548 shares. Mr. Newell, on an investment of just over $10,000, stands to gain $326,000.

I submit, Mr. Speaker, this kind of fabulous profits, based not on risk investment but on mere token investment, based mainly on the control and the acquisition and ownership of large numbers of shares, is a disgrace to this

nation and to this parliament. Because of these fabulous profits, because a few people have control of those great energy resources, the Canadian people have looked to this government to take action to restore the natural resources to the people of this country. This has not been done. As a matter of fact, effective steps to restore control over final charges are not being undertaken by this measure.

In recent elections the government made very strong statements to the people of Canada as to how it would develop resources in the interests of the Canadian people. In a pamphlet published by Progressive Conservative party national headquarters, 141 Laurier avenue west, Ottawa, Ontario prior to the 1957 election this was stated on page six:

> Canadian subsidiaries of foreign concerns should be required to provide a substantial interest in their equity stock to Canadian investors.

There is no such reference in this bill. On page seven of the same pamphlet I find these words:

> In his opening campaign speech on April 25 John Diefenbaker emphatically stated: "In common with all Canadians, and I underline what I am about to say, we welcome foreign investment. We do not want to see it discouraged. But, I say this—as Canadians a sense of national destiny for Canada calls for that investment being directed to the maximum benefit for Canada. I go farther than that—I quote the words of the *Financial Post*, which I have referred to, when it said this"—

Mr. Speaker: Before the hon. member goes further with that, would he think that this debate, which is undoubtedly a broad one, deals with foreign investment? It seems to me that it deals with investment in oil, gas and energy companies but it deals with that not as foreign and domestic but as investment. I just wonder whether there are not some limits to the scope of what is relevant in this debate.

Mr. Argue: I would refer you, Mr. Speaker, to the debate on the trans-Canada pipe line. That was legislation that affected only Canadian pipe lines. Yet a large part of the debate ranged around whether or not the people investing in and controlling that company were in fact Canadians. When we are considering a bill which contains power to control gas prices in this country I think whether the bill is effective depends to some extent on whether the great gas and oil companies that this legislation seeks to control are dominated by outside capital. If we were dealing purely with domestic investors we might have one attitude toward the bill but because we are dealing in fact with an industry which to a very substantial extent is controlled outside this country we have a different attitude to the measure. I feel that it is exceedingly pertinent to the whole question of the government's energy policy whether or not the companies that may be controlled are themselves owned by and in the control of outside interests.

Mr. Speaker: I think the hon. member has a point with respect to existing companies but what I was endeavouring to find an answer to was whether the general policy of foreign investment was involved in this debate. It seemed to me that the quotations he was using were directed toward foreign investment generally. If he wishes to talk about foreign investment in the existing companies which will come under the control of this legislation that may be all right.

Mr. Argue: If you will recall, just a moment before I had quoted from the royal commission report as to the fabulous profits made by Mr. Coates of Houston, Texas.

Mr. Speaker: I made no objection to that. I was simply trying to keep the member away from a general discussion of foreign investment in Canada.

Mr. Argue: After having referred to Mr. Coates, after having referred to the royal commission's statement about these people, most of whom are Texans, who control Canadian Delhi Oil Company, I then came to the statement of the Prime Minister as to how this type of foreign investment and control was detrimental to the very existence of this nation. I intend to keep my remarks related to the gas and oil pipe line business but I also have referred to the way these pipe lines are controlled in large measure outside this country. The statement of the *Financial Post*, and it is a short one, which the Prime Minister quoted was as follows:

> How long, with the growing dominance of foreign owned enterprises, Canada can continue a separate existence is the problem before Canada today.

Mr. Speaker: In my view that general field is too broad a field for this debate and I think the hon. member should keep his remark related to the oil and gas industry.

Mr. Argue: I am dealing with the oil and gas business and the way it is dominated and controlled outside this country and the fact that it is necessary for the government to take action to control the Texas buccaneers. The people and corporations who were once referred to as the pampered pets of the Right Hon. C. D. Howe and who are the pampered pets of this government today, these Texas buccaneers, must be smiling. They must have very broad smiles on their faces because I am sure that when this government took office there was some concern that the party now in power meant to do exactly what it

said it would do, restore control of these companies to Canadians and take action to see that Canadian resources are developed and used by Canadians in the interests of this country.

The government went so far as to appoint a royal commission on which more than $300,000 was spent. It brought in specific recommendations as to how gas and oil going through pipe lines should be controlled but the government has decided to set aside its main recommendations.

The Liberal party appears to be taking a very active part in this debate and I am certain we are going to have many speeches from members of the Liberal party before the debate is over. But I wonder where their basic quarrel is with the government. After all, they are the people who brought into existence the very pipe lines, the very companies, that required a royal commission to look into their operations. Has the Liberal party any fundamental quarrel with what is being done now? I do not think so. The hon. member for Villeneuve (Mr. Dumas), speaking for the Liberal party at the resolution stage, had this to say as found on page 3772 of *Hansard*.

> If it is the intention of the government to follow the recommendation of the Borden commission in this respect, that is, establishing a base rate in this way, it will merely tie the hands of any board which will have to enforce the law, and at the same time it will discourage investment in Canada at a time when investment ought to be encouraged and not scared away by restrictive provisions.

The attitude of the Liberal party is, bring in more Texas buccaneers, bring in more Americans to control industries in this country and once control is obtained by them then bring in an anaemic bill which does not have the teeth in it recommended by Mr. Henry Borden, chairman, and the other members of the royal commission. The spokesman for the official opposition went on to quote Mr. Ely, the president of the investment dealers' association of Canada, in these words:

> There is no doubt that the report has been a great blow to the confidence of foreign investors in Canada. Its recommendations, if implemented, will certainly impair our ability to import from abroad the large amounts of capital we require.

There is the stand of the Liberal party in opposition to the recommendations of the royal commission. In this debate, the Liberal party and Conservative party are in substantially the same position. They are prepared to see the Texas buccaneers, the pampered pets of the Right Hon. C. D. Howe, who have today become the dear dollies of the Prime Minister, continue to make out of almost zero investment—sometimes $8 and at other times no risk at all—fabulous profits ranging anywhere from one-third of a million dollars up to one and a half million dollars. The people of Canada, by this legislation, are being asked to pay returns on gas and oil that will provide substantial profits to these buccaneers, not on the basis of the money they risked but on the basis of the fabulous, exorbitant and unwarranted profits that have been theirs.

The members of the Liberal party and the members of the Conservative party can smile broadly this afternoon, but what is happening under the action that has been taken is that the cost of energy required for the survival and expansion of Canadian industry, both domestic and export industries, is being increased unduly. Canada's ability to compete in the export markets is being damaged by this government. The government's attitude is, we welcome capital to make speculative profits; we are prepared to allow high prices to be charged for gas in order to pay fabulous returns on these speculative investments even though the result is high cost industry in Canada and damage to Canadian export markets.

This capitalist system, Mr. Speaker, as managed or mismanaged by the Liberals and as managed or mismanaged by this government, has shown itself not to be a free enterprise system in which the ordinary Canadian has a chance to invest and make a good return, but has shown itself to be a system which breeds, by way of clique and special privilege, millionaires and which makes multimillionaires out of existing millionaires. It is doing great damage to Canadian industry by increasing energy costs and making it more and more difficult for Canada to maintain its trade position in the world today.

I have great respect this afternoon, Mr. Speaker, for the position taken by the Conservative party in 1956. I wish I could say I had the same respect for the position that they are taking today.

Mr. H. J. Robichaud (Gloucester): In introducing the resolution which preceded this bill on Monday last, a measure to provide for the establishment of a national energy board, and in the course of his statement in moving second reading of the bill this morning, the remarks of the Minister of Trade and Commerce (Mr. Churchill) indicate that this bill offers very little new in so far as legislation is concerned. In fact, this morning the minister clearly stated that this new bill was based mainly on the principles of the Pipe Lines Act and also on the exportation of gas act. In other words, Mr. Speaker, it took a royal commission and a great deal of expense to the taxpayers of this country, plus almost two years, for the government

to decide to replace existing legislation which adds very little new except the name of a new board to be known as the national energy board. This board will have little additional power and limited scope, and at this early date we are not in a position to determine fully the importance of its contents after having had only a few hours to examine the bill.

The minister further stated this morning that in preparing this bill the government had in mind certain recommendations of the Borden commission. Well I intend to show, in the course of my remarks, how little attention the government has paid to the Borden commission recommendations. The minister also referred this morning to the final report of the Borden commission. I hope that before this debate is concluded the minister will tell the house when we may expect to receive the second or final report of the Borden commission. It may be that as a result of the very poor reception the preliminary report has received in the country, and the very little attention which has been given to it by the government, the final report of the commission may be some time in the future.

The minister also stated in the course of his remarks this morning that the present bill contains no provision to regulate coal, uranium and certain other sources of energy, and that the government had decided not to disrupt agencies involved in these commodities. I shall have occasion, in the course of my remarks, to deal briefly with this point. The minister stated, too, that this major issue if of very great importance to Canada's future and it should receive consideration by this house. I wonder why, if the issue is of such major importance, it was thrown at us by the government for discussion in second reading within a few hours after the bill was introduced.

In introducing this bill, the Minister of Trade and Commerce insisted that this was in fulfilment of an objective held by the Conservative party over the years. He then quoted a statement made in this house on February 25, 1955, by the hon. member for Vancouver Quadra, now the Minister of Public Works (Mr. Green) in which he expressed the need for an over-all energy policy. He quoted the minister as saying, let us get away from dealing with the problem piecemeal, with the different departments concerned. The Minister of Trade and Commerce then went on to quote the preamble of order in council P.C. 1957/1386 passed on October 15, 1957, setting up the royal commission on energy. This order in council referred to the different sources of energy in the form of gas, oil, coal, water and uranium within Canada's boundaries, and referred also to the increasing need of energy for the growing industrial requirements of Canada which renders it of the greatest importance to assure the most effective use of these resources in the public interest.

The royal commission appointed by this order in council was instructed, by its terms of reference, to inquire into and make recommendations in connection with certain matters referred to in detail by the minister in introducing the resolution preceding this bill. I do not intend at this stage to go into the details of the terms of reference of the commission known as the Borden commission, as the minister himself has spent some time in reviewing the content of the order in council instructing the commissioners to proceed with the study of Canada's energy problem. To my astonishment, however—and this notwithstanding the broad recommendations of the commission—I find that the study of the Borden commission to date has been rather curtailed and limited to certain aspects of the energy problems in this country quite far apart from the terms referred to in relation to the export of energy and sources of energy.

The first report made public in October, 1958 says little if anything about the use of coal for the production of energy; and even to this date, almost two years after being introduced, the commission has not yet seen fit to hold meetings in the Atlantic provinces. Is it because the coal problems of Cape Breton and Nova Scotia and of the Minto coal fields in New Brunswick are not important enough to warrant the investigation and study allotted to other sources of energy, or is it because the chairman of the said commission is so disappointed and upset by the public reaction to his preliminary report—or, I could add, to the government's reaction to his first report—that he feels reluctant to proceed further with the assignment of inquiring into and making further recommendations concerning the problems of such other related matters having to do with sources of energy not covered in this first and preliminary report.

The bill presently under discussion is nothing else but a mere repudiation by the government of the Borden commission's recommendation as contained in its first report. My colleague, the hon. member for Villeneuve (Mr. Dumas), referred this morning to an address given at an annual dinner of the board of trade in Toronto on February 4, 1957 and quoted remarks made by the Prime Minister (Mr. Diefenbaker) on that occasion with regard to his party's policy on the setting up of a Canadian national energy board. If we look at these

remarks made by the Prime Minister, we may ask ourselves who will select the membership of the board to be appointed following the approval of the present bill? Will it be the president of the national research council or some business organizations? Would it be through the recommendation of interested provincial governments? Or will it be a board appointed to serve the best interests of the present government?

The Prime Minister has mentioned our vast resources of gas, oil, coal and uranium. Is the board to be set up for the purpose of advising and recommending proposals with regard to our resources or would it be limited to the issuing of export permits and other minor matters relating to the operations of pipe lines or other means of energy distribution? Is it only a board to replace other existing government agencies such as the board of transport commissioners under the Pipe Lines Act and those parts of the Railway Act incorporated in the same act?

In introducing his bill, the minister has referred to the Exportation of Power and Fluids and Importation of Gas Act and also to the Pipe Lines Act of 1949 which we understand will be incorporated in the present bill. Referring to the development of sources of energy, the minister has indicated that the increasing demands for electrical power have stimulated the use of most of the readily available sources of hydroelectric power. He even mentioned the fact that thermal power units based on the utilization of coal are being constructed in increasing number. The fact remains, however, that thermal power units based on the utilization of coal are becoming more and more a question mark in the development of electrical energy. It is my feeling that proposed power plants originally intended to use coal as a generating source are contemplating shifting to other sources of generating fuel.

It seems a pity that even eight months after the publication of the first report of the Borden commission—notwithstanding statements made to the contrary even in this house by the Prime Minister himself—it appears that coal has been removed from the context of studies which Canadians have every right to expect would cover all forms of energy. The problems affecting the coal mines of Nova Scotia may not be superficially connected with the studies of the Borden commission; but no one can deny that one of Canada's basic industries is left out or even singled out as if it was not of sufficient importance to the national economy to share in what was supposed to be an important and complete study on Canada's energy.

Without suggesting that the existing dominion coal board should be interfered with—and I want to be clear on this point—we of the official opposition feel that the coal problem should have played a more prominent part in the study of the Borden commission. Notwithstanding statements of assurance made to the contrary by government members, we fear that our Canadian coal industry is threatened by the wide-spread expansion of natural gas and fuel oil. This is our reason for insisting that every means possible should be taken to include coal within the sphere of a royal commission set up to clarify our energy problems.

When one peruses attentively the bill presently under study and compares it with the recommendations contained in the first report of the Borden commission, he cannot help wondering why the present government had to go into the expenditure of $200,000 or $300,000 before introducing this piecemeal legislation. Here is a government whose policy has always been—that is, if it ever had a policy at all to rely on—to maintain complete freedom and competition of trade. Today this same government is asking us to approve a measure which will regulate the importation or exportation of electric power and gas and also the importation of gas. Furthermore, this same measure will introduce a rate regulation system which sets the tolls on natural gas and this at the board's discretion subject to cabinet approval. What kind of a deal will be offered to investors when the new rates are set up? The provisions of the present bill appear to be putting the whole regulation system on a flexible basis, but no assurance whatsoever is given as to the government's attitude towards a fair treatment of investors as well as of consumers and producers.

The first report of the commission has met with severe criticism from the Canadian petroleum association. This complex document of the Borden commission, which appeared more concerned with criticism of the previous administration than with offering constructive measures which could provide greater knowledge and broader control of our energy resources, does not agree with the views of the oil and petroleum industry in Canada. In its policy statement presented to the Prime Minister on December 15, 1958 the association expressed its views in the following terms as found in the introduction on the first page of this brief:

> The interim report of the Borden commission is a lengthy and complex document. Following study of this report we wish to present a reasoned and reasonable view of constructive measures that may be taken to provide Canada with greater knowledge of and broader control over its energy resources,

without wastefully inhibiting development of these resources, and at the same time:

(1) Preserve competitive free enterprise in our country;

(2) Adhere to the principle of honouring contracts;

(3) Maintain sound climate for investment still needed in vast amounts to turn Canada's "potential" into "reality".

The commission's report points up the complex problems created by the growing importance of oil and gas to the economy of Canada and the resulting need for adequate machinery to deal with national energy policies and regulation of interprovincial gas pipe lines. We take issue, however, with certain specific features of the commission's recommendations and offer our suggestions in the hope that the objectives of the federal government can be attained without excessive regulation of private industry or confusion and duplication between various levels and branches of government.

It is most important, Mr. Speaker, that government-imposed regulations be drafted so as not to interfere with competitive free enterprise in our country. The objective of the federal government in dealing with energy policy and regulations can be attained without interference with private industry, as suggested in this brief, and without creating confusion and duplication between various levels and branches of government. Excessive regulations and controls will result in confusion not only with investors but with producers alike. It could bar and exclude incentive and competition within the industry, thus resulting in higher costs of production passed along to consumers. The present bill might relieve somehow the apprehensions created by the publication of the first report of the Borden commission.

I have here before me the list of recommendations included in chapter 1 of the report of the commission on the export of natural gas and crude oil. How many of the said recommendations are implemented in the present bill? When we look at the first recommendation having to do with the export from Canada of natural gas which may from time to time be surplus to the reasonably foreseeable requirements of Canada permitted under licence, we find that this recommendation is included in the bill.

The second recommendation, part of which has to do with the terms and conditions of the contract under which the export is proposed to be made and the contemplated arrangements with respect to the disposal of by-products and avoidance of waste, we find is excluded from the present bill.

The third recommendation that an export permit may be granted for a period of not more than 25 years from its date is included in the bill and was referred to by the minister this morning.

The fourth recommendation that section No. 9 of regulations respecting the exportation of power and fluids and the importation of gas made and established by order in council P.C. 1955/907, in so far as it applies to natural gas, be rescinded, has not been considered by the government in preparing the present bill.

Recommendation 6, which asks that the return on the shareholders' investment in Westcoast Transmission Company Limited permitted by the board of transport commissioners shall not result in Canadian consumers of natural gas contributing more than their fair, reasonable and proportionate share of the total return, has been ignored in the present bill.

Recommendation 7, which again has to do with the Westcoast Transmission Company Limited, is not yet at least included in the present bill. The same applies to recommendation No. 9, that any application which Trans-Canada Pipe Lines Limited may make in the future for a licence with respect to such export be considered on its merits.

In section B having to do with crude oil, recommendation No. 10 reads:

That, having regard to the present proven reserves of crude oil in Canada and to trends in the discovery and growth of reserves, the export from Canada of crude oil be permitted under annual licence.

There is no mention of this recommendation made in the present bill.

The same will apply to recommendation No. 11, which recommends that it shall be mandatory for the board of transport commissioners for Canada to exercise the powers conferred upon it under part II of the Pipe Lines Act, etc. The same also applies to recommendation No. 12, that the prices, tolls, rates or tariffs of a company owning or operating an oil or gas pipe line, as regulated by the board of transport commissioners for Canada, should be just and reasonable, non-discriminatory and calculated to yield a fair rate of return on the shareholders' equity, after making due allowance for reasonable and proper operating expenses, depreciation, interest, income and other taxes. Again this recommendation is completely excluded from the present bill. The same also applies to recommendation No. 13, which reads:

That legislation be enacted by the parliament of Canada to enable the government of Canada to exercise effective control over the export from and the import into Canada and the movement across provincial boundaries of all energy and sources of energy.

Recommendation No. 14 that a national energy board be established is being taken care of in the present bill. The same would apply to part of recommendation No. 15, that

the national energy board be authorized to require that anyone wishing to construct an oil or gas pipe line or one intended for the transportation of petroleum products or by-products of the processing of gas, subject to the jurisdiction of the parliament of Canada, obtain a certificate of public convenience from such board. It appears that this recommendation, at least in part, replaces some of the powers of the board of transport commissioners.

Recommendation No. 16, that the national energy board be authorized to require any company engaged in the transmission across provincial boundaries by pipe line of crude oil and petroleum products and natural gas and by-products thereof to obtain a licence from such board, is included in the present bill.

Recommendation No. 17, which recommends that from time to time other forms of energy or sources of energy be brought under the authority of the national energy board for such purposes as may be specified by the governor in council, I have not been able yet to find in the present bill in the little time I have had to examine the bill. The same will apply to recommendation No. 18, which reads:

> That such divisions or branches of the various departments of the government of Canada now concerned with oil and natural gas and related matters and whose responsibilities would properly come within the jurisdiction of the national energy board be transferred to its jurisdiction.

Recommendation No. 19, which has to do with the importation into Canada of crude oil and petroleum products being made subject to licence granted by the national energy board is, according to my understanding, subject to the decision of the governor in council. Recommendation 20 provides that the national energy board has certain authorities and authorizes it to give advice and make recommendations with reference to any matter relating to energy or sources of energy to any minister or to any board or agency constituted under the authority of an act of the parliament of Canada. This is partially covered in the present bill with the exception of the portion that provides that such advice be given at the request of the minister to any board or agency constituted under the authority of the legislature of any province.

Also not implemented was the portion of that recommendation which provides that the board shall compile, study and review the statistics and estimates of the quantity, quality, location and availability of the various forms of energy and sources of energy in Canada so that the board may maintain an up-to-date inventory of Canada's energy resources. Another portion of that recommendation not implemented or covered in this bill is the one directing the board to co-operate with and assist any board, agency or other authority, constituted under the provisions of any act of the parliament of Canada or of the legislature of any province, having jurisdiction relating to energy and sources of energy, in establishing standards of measurements and methods of assessing and estimating supplies of energy and their sources. The balance of this recommendation concerning the granting of licences has been covered by this bill.

Recommendation 21 is covered by the bill with the exception of subsection (a) (ii) which reads:

> The advisability of encouraging the development in Canada of processing industries relating to energy and sources of energy as distinct from the export of unprocessed natural resources.

It is not too clear whether this would come within the purview of Bill No. C-49.

Recommendations 22, 23, 24 and 25 which have to do with the hearings of the board are included in the bill as is recommendation 26 relating to the submission of an annual report of the board.

Recommendation 28 relating to the appointment of a member of the board to the Canadian section of the international joint commission has not been implemented nor has recommendation 29 to which reference was made this morning by the minister and which provides that if possible reciprocal arrangements be made with the United States federal power commission to have a member of that body sit as an ad hoc observer but without vote when the national energy board is considering applications for the export of national gas from Canada to the United States or for the import of natural gas into Canada.

Recommendation 30 refers to enabling legislation and is covered by this bill. Recommendation 31 relates the coming into force of the enabling legislation and has been included in the bill. Recommendation 32 is only partly covered by the bill and recommendation 33, which provides that the board of transport commissioners exercise regulatory jurisdiction as recommended by the commission in its report, has not been included. Recommendation 34 to the effect that no special measures need be taken in relation to Trans-Canada Pipe Lines Limited in order to safeguard the interests of Canadian producers or consumers of gas has been covered by the bill.

By going through the 34 recommendations listed in the report we find that 23 have been included and 11 have been completely ignored. Out of those 32 that are listed in the present bill most represent provisions

already included in existing measures that are being repealed and replaced by the present legislation.

The Canadian petroleum association in its brief to the Prime Minister recommended that a national energy board could best serve the national interests if limited to fact finding and advisory responsibilities. The Borden commission also recommended that the energy board should have authority to compile, study and review the statistics and estimates of the quantity, quality, location and availability of the various forms of energy and sources of energy in Canada so that the board may maintain an up-to-date inventory of Canada's energy resources. Nowhere in the present bill do we have the implementation of such a recommendation.

Before concluding my remarks I wish to place on the record the conclusions of the Canadian petroleum association brief presented to the Prime Minister which will be found on the last page of this document. This reads as follows:

1. That many recommendations of the Borden commission as stated in its interim report would, if implemented, result in excessive regulation damaging to the best interests of Canada.
2. That there should be a division of energy authority as between policy making, advisory and regulatory functions.
3. That the government should not relegate policy making to any board.
4. That an energy board can best serve the national interest if limited to fact finding and advisory responsibilities.
5. That regulatory powers should continue to be administered by the board of transport commissioners supplemented by the addition of an oil and gas division.
6. That it is vital to the national interest that greater utilization of western Canada's surplus gas reserves should not be delayed and that the existing board of transport commissioners be used to expedite action at the federal level in current gas export applications.
7. That elimination of "leverage" on pipe line shares would hinder the financing of new pipe lines in Canada, would reduce opportunity for public investment in pipe lines and would inevitably increase the cost of oil and gas to consumers.
8. That all private business is based on sanctity of contract and no changes in government policy should be made that would fail to uphold that principle.

It is doubtful, Mr. Speaker, if the new board will meet the wishes of the industry concerned. A substantial amount of the taxpayers' money has been spent without achieving the results and accomplishments expected. Before introducing the present bill to establish the energy board the government would have been well advised to give further consideration to recommendation 18 of the commission's report which reads as follows:

That such divisions or branches of the various departments of the government of Canada now concerned with oil and natural gas and related matters and whose responsibilities would properly come within the jurisdiction of the national energy board be transferred to its jurisdiction.

In other words our energy problems are so vital to Canada's economy that every division or branch of the various departments of the government of Canada now related to oil, gas, coal, uranium or other sources of energy, could properly come, not only within the jurisdiction of the national energy board but perhaps under the jurisdiction of a separate department of the government.

While the present bill calls for a board to consist of five members, a government whose charges of waste and extravagance were so frequent in the past could well give consideration to limiting the members of the board to three as suggested in the Borden report. In fact, the limited coverage of the present bill is an indication that the responsibilities involved could well have been taken care of by a board composed of three members instead of five as suggested in the bill.

Why has this bill, an entirely new piece of legislation, been thrown at us on 48 hours notice? We are being called upon to discuss a bill of 101 clauses, an entirely new bill, which was given first reading on Tuesday of this week and which the leader of this house was insisting that we should discuss on second reading no fewer than two days later. Now that we have been given an extra 24 hours to examine this empty piece of legislation, we are asking ourselves why such a rush on the part of the government? Now that they have waited two years before introducing this measure, why all at once this anxiety to see it through? Why, in fact, has it been introduced before the final report of the Borden commission is made public? Is it because the government is afraid to face the unpopular repercussion which has resulted from the preliminary report? Is it because the government is more anxious to legislate by cabinet decisions than by approval of parliament? We recall, Mr. Speaker, the attitude of the members of the present government when they were sitting in opposition in 1955 and were criticizing the government because the minister of defence production was asking for certain powers which he may have to use only in an emergency. We well remember the objections which were raised at that time.

My time is limited, but before resuming my seat I would suggest that this bill be sent to a special committee of the house where representatives of the industry concerned could make representations and where the bill could be given the proper study it deserves.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, it is with regret that I have to state on rising to speak on Bill No. C-49, to provide

for the establishment of a national energy board, that I am bitterly disappointed in the bill as proposed at the present time. We in this parliamentary group have for years been expressing the need in every session for both the establishment of a national energy board and, perhaps of even more importance, a national energy policy. I can well recall when a number of the present members of the government were sitting on this side of the house to our right on those occasions, and the remarks that they had to make in support not only of a national energy board but of the establishment of a real national energy policy. Naive as I am, after all those years, I did have the thought that perhaps in this respect at least they were sincere and that when, after two years consideration in the seats of government, and after receiving the reports of a royal commission, they had reached the time of introducing a bill, it would really be a worth-while bill.

As I said, Mr. Speaker, I feel bitterly disappointed. In the first place, the provisions of Bill No. C-49, although it does establish a national energy board, do not contain the authority either for a fact-finding body or the administration of a national energy policy.

I say, Mr. Speaker, that the introduction of this bill, saying it is the national energy board, is a sham and a shibboleth on the members of this house and the people of this country because a national energy board should be exactly what the term implies, namely one that deals with energy in this country.

We fully realize that there are conflicts in jurisdiction. There is the jurisdiction which is strictly federal; there is the jurisdiction which is provincial; there is the jurisdiction which is interprovincial, and there is the jurisdiction which is international. Surely it should have been possible for the government to draft an act which would give full power, within the jurisdiction of the parliament of Canada, to this board, and to have given also the board at least a consultative and advisory capacity which would try to work things out on an interprovincial as well as an international basis.

I do not think the government is trying to fool us—it cannot fool itself either—but you cannot have a national energy policy that does not take in every province and everything of an energy-producing nature in this country. If you are going to have a national energy policy you cannot consider electrical power on a provincial basis. There has to be a plan on what is known as the grid basis, as they have in the United Kingdom, a complete tie-in and control on a grid basis; that is, a tie-in of power interprovincially and nationally. In so doing, there is then the question as to whether the power should be hydro, thermal, coal or nuclear. I cannot conceive of that kind of plan being evolved except under—I will use the word "direction"—at least the consultative and advisory direction of the federal government, because power is of such an integrated nature and the developments of science are proceeding so rapidly that the best interests of the country can be served only by at least a federal body which recognizes the well-being of all Canada in so far as power is concerned, whether it be coal, thermal, nuclear, hydro, gas or oil. The fact that that principle is not recognized in this bill is, I say, a betrayal of Canada, because we are now at a time when decisions have to be made and if not definitely undertaken at least studied, and some central body should have the authority and direction to work on this most important subject.

I am most bitterly disappointed that the government has been so derelict in its understanding of the problem of the need of power that something of this nature and direction is not included in any way whatsoever in this bill. No authority whatsoever, as far as I can read the bill—and I have read it three times now—is included to enable this board when established to be able to proceed.

I am not going to speak at all, as the previous speaker did, on the Borden report itself, but I do think that note should be made as to who was the chairman of that commission. If my information is correct, and I think it is because I got it from the *Financial Post* directory, Mr. Borden is president of the Brazilian Traction, Light and Power Company Limited, which company I understand also has certain dealings in gas in Brazil; chairman of the Canadian board of the Norwich Union Life Insurance Company and the Norwich Union Fire Insurance Society Limited; a director of the Bell Telephone Company of Canada, the Canadian Bank of Commerce, Canadian Fund Incorporated, Investment Fund Limited, International Business Machines Company Limited, National Trust Company and Massey Harris-Ferguson. He is a man who, I presume, has vast experience as a financial and industrial baron and as chairman of this royal commission he was actually investigating the operations of the financial and industrial barons of Canada.

I am going to say, because I think it is correct and therefore should be said, that with his knowledge and experience with respect to industry and finance and examining the operations of industry and finance in Canada he brought in his recommendations as a royal commissioner having in mind what

is in the best interests of Canada. It is rather amazing that a man of his experience and background, having examined the operations of his colleagues in Canada, should feel that in the interests of Canada certain things should be done to protect the Canadian people and yet in the vast majority of cases the government has not seen fit to follow the findings and recommendations of his report.

As I said, I am not going to speak on the actual report itself about which a great deal has already been said. What I want to do in the time I have available is to take the bill and draw what I think are very pertinent facts to the attention of the members of the house. We are discussing the principle of the bill so may I refer first of all to the explanatory note respecting the bill. I want to place particular emphasis on the explanatory note, especially the first half of it. This is what it says:

> The purpose of this bill is to establish a national energy board which shall,—

I emphasize the word "shall".

> —in order to assure to the people of Canada the best use of energy resources in this country, regulate in the public interest the construction and operation of oil and gas pipe lines subject to the jurisdiction of the parliament of Canada, the tolls charged for transmission by such pipe lines, the export and import of gas, the export of electric power and the construction of those lines over which such power is exported.

I think it is to be expected that the principle of the bill would be explained in that first explanatory note, and it definitely states that the principle is to establish a national energy board which shall assure to the people of Canada in their best interests, in the public interest, certain policies, which shall establish certain regulations and shall establish certain tolls and tariffs. Having regard to the principle of the bill I say that the explanatory note as to the principle underlying the bill is not correct in that nowhere in the bill can you find that the board to be established under this legislation shall have the power as a board to implement in the public interest what the explanatory note says is the purpose of the bill.

I think that any constitutional lawyer or lawyer skilled in interpretation will agree that the two most important words in any statute of a legislature or of the House of Commons are the words "may" and "shall". I cannot remember very many acts that have come to my attention that have had so many "mays" and "shalls". But remembering what is supposed to be the principle of the bill and the powers of the board I draw to your attention, Mr. Speaker, and to that of members of the house where the word "shall" appears and where the word "may" appears. "Shall" is mandatory; "may" is permissive.

[Mr. Winch.]

In a few sections of the bill "shall" is used a great deal. We find that there shall be a board consisting of five members. We find that the commissioners shall live in Ottawa or within 25 miles thereof. We find that the chairman, vice-chairman, and the other three members shall be paid certain remuneration. We find that the head office shall be in Ottawa. We find that there shall be a secretary appointed by the governor in council and that he shall live in Ottawa or within 25 miles thereof. There are some very definite "shalls".

When we go beyond the provisions respecting appointment of the members of the board, their salaries, where they shall live and the staff of the board and come to the powers of administration of the board it is truly remarkable how the word "shall" disappears and is replaced by the word "may". In section after section we find that, so far as policy and administrative powers are concerned, the board is not a policy making or administrative board at all. It is a political stooge of the government in power. If those hon. members who are now giving vent to sarcastic laughter have read the provisions of the bill they will know that the wording is "may", subject, almost without exception, to approval of the governor in council. I have to speak on the principle of the bill and I shall speak on the principle of "may" and "shall".

When we come to the real purpose and principle of the bill, the powers and the policies of the board, we find that on page six of the bill there is provision as to orders and decisions of the proposed board and that any decision or order of the national energy board may, for the purpose of enforcing thereof, be made a rule, order or decree of the exchequer court or of any superior court of any province. An order, decree or decision of the board is only permissive from the point of view of enforcement thereof by the exchequer court or any other court. Having made a decision, order or decree we find that under the principle of the section the board may review, rescind, change, alter or vary any order or decision. But that is subject to—the governor in council. We find, as we go through the bill that the same thing applies to almost all the regulations and administrative powers of this new, proposed board.

When it comes to what I presume is the major principle in the bill, that is the power of issuance of certificates for pipe lines and international power lines, we find that the bill does not say the board shall be able to issue a certificate for a pipe line or international power line. No, it says the board may, subject to the approval of the governor

in council, issue a certificate for a pipe line or international power line. Not only has the board not the power within itself to deal with the purposes for which we understood this bill would be introduced, but under the provisions of this bill they cannot even revoke or suspend any licence which they grant with the permission of the governor in council except with the approval of the governor in council. They cannot issue a licence without approval, and they cannot revoke or suspend a licence without approval.

I say that this principle of "may" makes the board subject at all times to the governor in council and makes it a political stooge and not a policy making or administrative board. We heard much from the minister when he spoke on this bill, and we read about the principle underlying this bill as contained in the explanatory note which I read a few minutes ago, indicating that the board shall have the power to make orders with respect to traffic, tolls and tariffs. But what does the bill say? The bill says that the board may make orders with respect to matters relating to tolls, traffic and tariffs.

If the government is sincere in the purpose for which this bill is introduced, will they kindly explain why, in connection with a major purpose which is tolls on gas and oil, the bill merely says in clause 50 that the board may do this. Why is everything subject to the governor in council and political expediency control? I do not think any of us in this group or amongst the general public expected that kind of bill to be introduced by this government. This principle goes all the way through the bill, that the board may make orders with respect to traffic, tolls and tariffs, but under governor-in-council control.

Once again I might say, as I did a few minutes ago, when it comes to the issuance of certificates for oil pipe lines, if this board wants to disallow or reconsider the issuance of a certificate it is a question of "may", not a question of "shall". This board does not have very definite administrative powers. So, we go all the way through this bill to the section dealing with the transmission of oil and the principle in this bill is that if the board has something important to do in connection with the transmission of oil, the board may, if it considers it necessary or desirable to do so in the public interest, require a company to do so and so. If the board finds, in the words of the bill, it is necessary or desirable to do something in the public interest, then why should the bill say that the board may take certain action? Surely, it should be that the board shall, in the public interest, exercise its power.

As it is in connection with the transmission of oil, so is it in connection with the transmission of gas. Once again we find that if the board finds action necessary or desirable in the public interest it may take certain action. Surely, if honesty, sincerity and integrity mean anything to this government, then if it is in the public interest and if it is advisable for the board to do something the bill should provide that it shall be done, not that it may be done. All the way through, in section after section, when we come to the powers of the board under this bill there is no provision that they shall do things in the public interest; it says they may do something in the public interest. Whether or not the board may do something in the public interest is not determined by the board, but by the governor in council. I do not believe I have ever read a bill drafted in the way this one is.

If you want to go through the bill clause by clause until you come to the provision for the transmission of gas in clause 61 you will find that when it comes to the equalization of the differential between costs, if the board finds it a right thing to do, then they may take certain action. It is not that they shall, but that they may. Mr. Speaker, I say that in legal terminology the words that mean so much are "shall" and "may". The proof of the sincerity of the government moving a bill of this nature is also found in the terms "shall" and "may". A reading of this bill now before us shows that in small things like the salary of the members, how many members there can be and how long they can continue to hold office, the word "shall" is used. These are very important provisions, I realize, and the government must have given a great deal of thought to them. However, when it comes to the major provisions of the bill concerning the powers of the board itself, it is always "may" and almost without exception, subject to the governor in council.

As I said at the outset, I find myself very keenly disappointed in this bill. We had looked forward to a real bill establishing a national energy board that would have authority, that would have the powers of administration and investigation, that would have everything permissible which would enable them to do a task which is a basic requirement and an immediate necessity for Canada, that is develop a real national energy policy covering every province of our nation and all the resources which are capable of the production of energy. This bill represents a start. All I can say is it ought to be able at least to crawl if it cannot walk or run. We hope that before this bill passes, with the knowledge of modern science, the

knowledge of modern medicine, the knowledge of the new economists, that somehow or other the minister who introduced this bill will give it a hypodermic and bring it to life.

Mr. J. H. Horner (Acadia): Mr. Speaker, it may be a surprise to some of the members of this house to hear me speak on gas and oil. However, I should like to inform the house at the outset that gas, particularly dry gas, is of great interest in my constituency. Throughout the past half dozen years there have been established throughout the eastern part of Alberta numbers of settlements which have sprung up primarily owing to the gas industry. In some places there is a considerable amount of oil. I therefore feel that I should perhaps say something in this debate.

I noticed that the hon. member for Gloucester (Mr. Robichaud) asked the question, "Why spring this on us in 48 hours?" I am certain that the people in my constituency and the people in Alberta generally would not think that this government has sprung this on anybody in 48 hours. The Borden commission sat and looked into the gas industry and studied it. It was announced in the speech from the throne that an energy board would be set up. I cannot see where the hon. member gets the idea that only 48 hours' notice was given. It appears to me that he had at least four months' notice.

Then the hon. member goes on and wants to refer this matter to a committee. He refers to the recommendation in the first report of the Borden commission. I am certain a great deal of study has been given to this matter. By sending it to a committee there would just be a great deal of repetition of what has gone on before.

When the Borden royal commission was set up it was instructed to look into the policies that would best serve the national interest in relation to the export of energy and sources of energy in Canada, the problems involved, and the extent of the authority that might be best conferred on a national energy board. In brief, that was what the commission was to study. It was also pointed out that the Borden report contained 34 recommendations. Some hon. members who have already spoken have said that the Borden report was not considered. As was pointed out, 23 of the recommendations were accepted.

In setting up the Borden commission this government was not necessarily saying that it would accept every recommendation which the commission brought forward. I think they have given a great deal of study to this matter. I commend the Minister of Trade and Commerce (Mr. Churchill) for the great amount of work he has put into this bill and the considerable amount of work that went into the drafting of it. I certainly think that the recommendations in the Borden report are evident in the drafting of this bill.

First of all, the Alberta conservation board have said they have a surplus of gas. Then the energy board will have to study the matter and see whether Canada has a surplus. In the report I think it is suggested that it has a surplus. I hope that in the near future we can export that gas. However, as was pointed out by the Minister of Trade and Commerce, before any gas can be exported, the federal power commission of the United States will have to consider the question of whether they want to import gas. As the minister pointed out on May 18, a great deal of work has been done with the federal power commission in the United States in trying to bring about a flexible arrangement and one mutually satisfactory to the two parties. I sincerely believe that things will work out and that we shall export gas in the near future.

There are some who believe that the energy board, when it is set up, should control the exact profits of the industry. To anybody who believes that such a board should control the exact profits of an industry in which so much risk is involved, may I say that such a procedure might prove to be detrimental to the rest of Canada. It might have the general effect of slowing up the development of that natural resource which is the source of so much wealth and with which this country is so abundantly endowed. I would say that a great deal of consideration and study should be given to the matter before any thought was given to controlling the exact profits a company might make. Anyone who has had any experience with wells or has watched a number of wells being sunk in Alberta will know that there is a great deal of risk and a great deal of expense in connection with the drilling of wells and the finding of dry holes.

I see no objection to setting up the tolls on the gas lines. I think it is a good step. I do not think this procedure will in any way hinder the development of this industry. This government has provided for the setting up of an energy board. I think it is a good step. The board should consider the protection of Canadian interests. I am not a lawyer, but on looking over section 44 of the act, in connection with certificates of public convenience and necessity in the construction and operation of pipe lines, I find the following:

44. The board may, subject to the approval of the governor in council, issue a certificate in respect of a pipe line or an international power line if

the board is satisfied that the line is and will be required by the present and future public convenience and necessity, and, in considering an application for a certificate, the board shall take into account—

It then goes on to list five things which it shall take into account. One of them which has been evident in today's debate is found in paragraph (d) which reads as follows:

(d) the financial responsibility and financial structure of the applicant, the methods of financing the line and the extent to which Canadians will have an opportunity of participating in the financing, engineering and construction of the line;

I think this legislation sets out clearly that the interests of the Canadian people will be protected before any certificates are granted to any pipe line, and that they will certainly take a close look at the financial structure of those pipe lines. I may be wrong, but in section 47 the bill goes on to provide as follows:

47.(1) Subject to subsection (2), the board may by order, with the approval of the governor in council, revoke or suspend a certificate if, in the opinion of the board, the person to whom it was issued has violated or failed to comply with any term or condition thereof.

I think it is set out clearly that we shall have a certain amount of control over the financing, that there will be regard for Canadians and that there will be an opportunity for Canadians to participate in the financing of a given pipe line.

In the province of Alberta a surplus of gas has been declared. Right now the industry is waiting to see whether gas can be exported to the United States. As I said before, the federal power commission of the United States must first grant permission before any gas can come into the United States. As a resident of Alberta and of my own constituency I know that this could well mean a great deal more activity, a great deal more employment and a great deal more development in Alberta. I hope that in the near future we shall export gas.

Mr. Augustin Brassard (Lapointe): Mr. Speaker, one of the first questions which comes to the mind of any member of this house who is interested in the subject of energy is this: Why has it taken the government so long to introduce the legislation now under consideration? Those who have followed the matter recall all too vividly the words of the present Prime Minister (Mr. Diefenbaker) when he spoke in Toronto on February 4, 1957. Here is what he said when speaking to the annual dinner of the Toronto board of trade:

There is a need now for the setting up of a Canadian national energy board.

Then I shall skip a few words referring to the composition of the board and again quote the Prime Minister:

—to the end that the most effective use of the energy resources of Canada in the interests of the public welfare may be assured. We have vast resources of gas and oil and coal and uranium. I believe that the time has come to set up such a board whose duty it would be to advise and recommend proposals regarding these resources so that they may be safeguarded from prejudicial action now, ill-timed action to the detriment of this and future generations.

I want, Mr. Speaker, to draw attention to the Prime Minister's use of the word "now" for the setting up of a national energy board, and his further expression that the time has come to set up such a board. That was a call for immediate action. Four days after he had spoken in Toronto the Prime Minister, then leader of the opposition, spoke in the House of Commons, and again expressed the view that there was a need for the setting up of a Canadian energy board. In this regard I would like to quote from *Hansard* for February 11, 1957, page 1159. This is what the Prime Minister had to say at that time:

In order to meet the industrial demands of Canada's future there is a need, as is set forth in the Gordon commission report, for the setting up of a Canadian energy board with a membership composed of technical personnel which might be selected by the ministers of the departments particularly interested and also by the president of the national research council. Upon that committee as well there should be representatives of industry and of the dominion and provincial governments to the end that the most effective use of the energy resources of Canada in the interests of public welfare may be assured.

So it is perfectly clear that at that time, in February, 1957 the present Prime Minister believed in and actively advocated immediate action to set up an energy board. In the circumstances it was not unreasonable, when parliament met in October, 1957, that hon. members fully expected that at the opening of parliament the speech from the throne would forecast legislation to implement the policy advocated by the Prime Minister and to establish a special board to deal with energy in all its forms. However, the speech from the throne made no mention of legislation to create such a board despite the statement of the Prime Minister in February of 1957 both in and outside the House of Commons that the time had come to set up an energy board.

But on the following day, October 15, 1957 the Prime Minister announced the setting up, not of an energy board but of a royal commission to inquire into the policies which would best serve the national interests in relation to the export of energy and sources of energy in Canada. This commission, the Borden commission as it is popularly called,

was also directed to make recommendations as to the extent of authority which might best be conferred on a national energy board. The terms of this commission will be found in *Hansard* of October 15, 1957. To say the least, Mr. Speaker, this was a strange way of making progress. The Prime Minister had advocated the immediate setting up of the board in February, 1957, but by October of that year it seemed necessary to ask the Borden commission to recommend the policies with regard to energy that would best serve the national interest and also to tell the government what powers and authority ought to be conferred upon that board.

It can justly be observed, I think, that the national energy board was put into a deep freeze, and though many observers understood that the unfreezing process would last until the election was over, not even the most cynical of these observers believed that it would take 19 months to unfreeze the board and bring it to life by formal legislation. It was not only the formation of the proposed board that was frozen over that long period. During that whole time the country, the members of this house, the public, the oil industry and investors generally, remained in complete ignorance of the policies which this government intended to follow as to the export of natural gas and energy in other forms, and indeed with respect to all forms of energy.

I have read with care what the minister said last Monday when he opened the debate on the resolution introducing the bill, and I find even yet no positive statements as to government policy on this very important aspect of the development of our natural resources. I find it even harder to understand that the minister, who spoke this morning, was not more precise in his words about the policies of the government than he was in his introductory speech when the resolution was before the house. Mr. Speaker, as we know, parliament was dissolved in February, 1958, and not unnaturally the subject of natural gas cropped up in the election.

May I call it five o'clock, Mr. Speaker?

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

PRIVATE BILLS

EXPORT FINANCE CORPORATION OF CANADA LIMITED

The house in committee on Bill No. S-17, to incorporate Export Finance Corporation of Canada Limited—Mr. Muir (Lisgar)—Mr. Rea in the chair.

[Mr. Brassard (Lapointe).]

On clause 1—*Incorporation.*

Mr. Muir (Lisgar): Mr. Chairman, in my remarks on second reading of this bill I endeavoured to set out in some detail the purposes in setting up this Export Finance Corporation. Today, however, I should like to discuss briefly the importance to Canada's export business of the credit facilities that will be offered by this proposed corporation.

Under present circumstances Canada is at a very serious disadvantage in a highly competitive export market in that many of her products have to be sold for cash. In many instances the sale of Canadian goods is limited to the amount of exchange available or to the credit offered by foreign lending agencies. In other words, we have been losing prospective customers because of our inability to provide the necessary long range credit.

The Export Credit Insurance Corporation which is a crown company will insure sales of Canadian exporters to the extent of 85 per cent of the value of such exports. It does not, however, make loans to exporters nor do we have any such lending facilities in Canada at the present time. The chartered banks are not generally interested in long term loans of this nature and the proposed export finance corporation will complement rather than compete with the chartered banks.

The Toronto *Globe and Mail*, commenting editorially on Canada's export position in the May 21 issue, had this to say:

> Two recent developments may help the situation. The throne speech which opened the present session of parliament revealed that amendments will be made to the Export Credit Insurance Act which will "increase the range and effectiveness of the guarantees provided for financing exports".
>
> The second development is the formation of the Export Finance Corporation of Canada, a private company whose bill of incorporation is now well on its way through parliament. The company would have a lending capacity of $500 million to expedite foreign trade, and would accept payment in several currencies.
>
> The new company should be given every encouragement. Whether it alone will be able to meet the demand for credit remains to be seen. If it does not, there is no reason why the government cannot establish its own credit agency. The United States, in addition to the government institutions, has about 35 private firms in the export credit business, so public and private agencies can work together in this field.
>
> The important thing is to establish credit facilities now, before it is too late.

The United States, in addition to the export-import bank, a government agency, has some 35 private firms in the export credit business, and other exporting countries have similar lending agencies. In order to put Canada on a competitive basis in her foreign trade it is necessary that we should have

facilities such as are offered by the proposed Export Finance Corporation for extending long term credit for our exporters of manufactured and farm products. To be in the position to trade for less cash on the line, and more extended credit it should not be necessary that sales of our manufactured and primary products should depend on credit supplied by foreign lenders.

The banking and commerce committee was told that the sale of $28 million worth of Canadian wheat to Poland was financed by lenders in West Germany. With private Canadian capital willing to provide these funds, through the lending facilities of this proposed corporation, it would seem rather ridiculous to leave the extension of our export trade to the whims of foreign capital.

I did not intend to go into too much detail at this stage but one hon. gentleman opposite who was not present at the second reading stage of this bill asked me to refer to it in detail. I shall briefly set out the purposes of the bill and outline the type of service this corporation will provide.

In the first place it will provide credit assistance to Canadian exporters. This means the discounting of foreign trade papers received by Canadian exporters as a result of sales abroad. Such financing could be with or without export credit insurance and with or without recourse against the exporter as the case may be. Transactions which are eligible for export insurance could be negotiated with a minimum of formality and with speed. It is expected that this type of business will amount to 10 or 15 per cent of the total business transacted by the corporation. This estimate is arrived at on the basis of United States statistics and the experience in other countries.

There will also be credit assistance to foreign buyers of Canadian goods and services. This means the discounting of foreign commercial paper usually guaranteed as to the availability of the exchange and otherwise by the national bank of the exporter or supported by other forms of guarantees. Business of this type would constitute roughly 50 per cent of the financing activities of the corporation.

Commercial trade paper issued in accordance with the regulations in the respective countries and receiving the appropriate guarantee is a comparatively safe form of investment. For the most part commercial banks establish credits and make loans on the credit of the borrower. The corporation would depend mainly on collateral for its security. Thus a Canadian exporter with a capital of, say, $10,000 might negotiate an export order for $200,000 through the proposed corporation.

There would be participating financing. That means a transaction in which the corporation would participate with others such as Canadian and foreign banks, for example. The corporation would engage in project financing. Financing of this type would assist a Canadian manufacturer who might wish to establish a branch factory in a foreign country. The financing would be substantially limited to machinery and equipment and to goods and engineering services exported from Canada in connection with a project abroad.

In some cases exporters may sell provided they are willing to accept part or full payment in foreign currency. Such foreign currencies are usually convertible into dollars. The corporation in appropriate cases will guarantee dollars to the Canadian exporter where a foreign currency is stipulated in the payment terms. The major exporting countries of the world have facilities for financing exports on a long term basis in the categories indicated and such facilities do not yet exist to any degree in Canada.

It is characteristic of all commercial banks throughout the country that they do not engage in long term financing of the type envisaged by the proposed corporation. On the other hand private banks and syndicates of individual companies and special corporations constituted in the respective countries provide such facilities on a large scale. As I said before, the services of the proposed corporation will complement but will not compete with services provided by chartered banks. The corporation cannot successfully exist without assistance from the chartered banks in Canada.

This bill has had a thorough review, first in the committee on banking and commerce of the other place and then in the committee on banking and commerce of this house. In supporting this bill I am convinced it will serve a useful purpose in the pattern of our export trade.

Mr. McIlraith: Mr. Chairman, those persons in Canada concerned with our foreign trade will, I am sure, welcome this private bill and its passage by the Canadian parliament. It is perhaps rather elementary to stress the importance of our foreign trade in our economy and perhaps it is not proper to discuss in detail at the committee stage of a private bill the problems that beset our export trade. But it seems to me that our foreign trade today is in considerable jeopardy and beset with more than the usual problems which confront it, not only because of the organization of trade blocs in the world and the difficulties of exchange but also because of some internal matters within Canada.

Of course, one of those internal matters within Canada is the high cost of our exports, the high cost of the products that our exporters have to export. This is something that perhaps could better be discussed on the trade and commerce estimates. Perhaps it is not appropriate to discuss it here other than mentioning it.

But we have two other problems constantly confronting our exporters. One is the handicap in Canada of easily accessible information on the subject of shipping; that is from Canadian firms doing business in Canada. It is quite true that the information can be obtained, but we simply have not an abundance of Canadian firms in that kind of business with all the information readily available for any type of shipment and any type of shipper in any part of the country.

The other difficulty is a comparatively new one. It is the matter of giving the required credit which competition between exporters from the different countries require if we are to get the sale and this bill sets up a private corporation which can do much to meet that need. Many orders are now being lost to Canadian exporters, not because of the price, not because of shipping difficulties, not because of quality but because the Canadian producer or manufacturer is simply not able to grant the term of credit required to obtain the order. He cannot do this because he requires his own money to operate his own business and he can find no way of discounting his commercial paper. It is quite true that the banks do meet part of this need but they are necessarily and properly limited in the field in which they can operate, particularly in the short term requirements of bank lending.

It is also quite true that some finance companies have done a little to help in this area through indirect methods, but there is no Canadian corporation directly engaged in this business. So far as I am aware, this is the first Canadian corporation to come into this business. I think I am correct in that. I am sure that all members would, therefore, wish it well and recognize the need that it will meet.

This whole question of discounting paper for exporters is one that is very much a problem today in the export business, and this bill will undoubtedly go far to meet that need. I am quite sure that hon. members would welcome other corporations to come forward and carry on this enterprise. When I say that, I am not in any way detracting from my wishes for success of this corporation; but the field is so wide and there is such need in this field that it is to be hoped that not only will the business of this corporation expand rapidly but that others will come into the field.

As I work out the amount that this corporation will be able to do in this field I see that its capital setup is of the order of $50 million. I would take it that their lending capacity would probably, in the natural course of events, be about $400 million. Now, in terms of our export trade that is not a very big item. There is room for others and there is plenty of room for expansion of this corporation.

To me, it is a rather shocking thing that many of our export orders today are financed through other companies not operating either in the importing country or in the exporting country but in completely unrelated countries, and that volume of business is lost to our country as a whole. In addition to losing that business we have undoubtedly lost—and I am aware of no way of getting statistical information on this—a great number of orders because the financing of the transaction could not be arranged. It is something outside the field of the exporters' own activities to have export financing information pertaining to all countries in all continents of the world, and yet it is a very necessary service and one that can best be provided by experts, specialists, in that field.

Holding the very strong views that I do about the importance of our foreign trade, and appreciating the problems that beset it, and particularly this one of financing exports, I welcome this legislation and wish the corporation well. I am not well informed on the personnel of the incorporators. I have not too much information, but I understand they are quite reputable financial people of high calibre.

There was a little confusion in the committee about where the Export Credits Insurance Corporation fitted into this. It is unfortunate that there is some similarity in the names, but the Export Credits Insurance Corporation is in another field altogether. It is a crown corporation which was set up, as hon. members well know, at the end of the war to insure the risk of sales to countries that had been devastated during the war in an effort to help Canadian exporters retain markets that had been lost through the ravages of war. But the two corporations are fully complementary, one to the other. They in no way conflict. I can see no point of conflict between the two corporations. It is in some respects unfortunate that the names are so similar, particularly since one is a crown corporation and the other is a private corporation; but bearing in mind the fact that this corporation is to operate in

foreign countries and therefore has to translate its name into many foreign languages, I see no way of overcoming that slight difficulty in the choosing of names, and I see no objection to it.

Mr. Herridge: Mr. Chairman, according to the bill the objects of the corporation shall be:

> To finance and facilitate exports and imports and the exchange of goods and services between Canada and any nation of the commonwealth of nations or other nations, and between agencies or residents of Canada and such nations, or agencies or residents thereof.

I am sure no one can disagree with the purposes of this bill and the objects of the corporation, particularly in view of the fact that I read an item in the Toronto *Star* of May 20 of this year entitled:

> "Should Be Ashamed"
> West Germans Finance Our Wheat Exports
> A Montreal trust company executive said yesterday a $28 million sale of Canadian wheat to Poland is being financed by West Germany because appropriate credit facilities are not available in Canada.
> "We ought to be ashamed of ourselves," the commons banking and commerce committee was told by Stanley Stanger of the Guardian Trust Company of Montreal.

I quite agree with that gentleman's comment. We certainly ought to be ashamed of ourselves when we find such a situation. In the first place, Mr. Chairman, I must say that we in this group regret that the government has not taken the initiative in this matter by introducing a bill to establish a government corporation to meet the need for export credits. However, this bill has been introduced by persons who recognize the need for this type of assistance to exporters and in all fairness I cannot but congratulate them on their initiative, incentive and enterprise in their effort to do what they can in this respect to meet the need. As the former speaker mentioned, I think it will require a great deal more than this bill to meet the need of Canadian exporters at this time.

During recent years, particularly during the last two years, there has been increased recognition of the fact that there must be an extension of facilities for the provision of credit to exporters from Canada. That was brought home to me very strongly during the last week when we heard representations, briefs and evidence from persons representing various sections of the pulp and paper and lumber industries of Canada. While, as the hon. member for Ottawa West said, this is not the occasion on a private bill to deal at length with Canada's trade situation and the serious position of many exporters, I think it is worth while to quote a paragraph or two from some of these briefs to indicate the situation of the exporters of our primary products at this time, particularly the pulp and paper people and the lumber industry.

We heard a most interesting brief from the Canadian lumbermen's association. Witnesses on behalf of this company outlined the situation of the industry because of loss of markets, declining markets overseas and competition from other countries and the need for credits to assist certain sections of the industry. I quote from page four of the brief:

> It would be possible to expand on the difficulties with which the timber industries of Canada are continually faced. Suffice it to say that any realistic investigation will quickly convince the investigator that conditions are becoming ever more difficult and that aid in rectifying present unsatisfactory conditions is urgently needed.

Then we heard another very interesting brief from the woodlands section of the Canadian pulp and paper association which dealt with the same question. They all emphasized the difficulties of their industries in maintaining markets abroad, and on page two of their brief they bring that to the attention of the committee in this way:

> Our share of the world's markets declined substantially in the recent period of world pulp and paper expansion. Here again, the facts can be seen in reports of the dominion bureau of statistics, and we would be glad to make them available to you.

Then they go on to say:

> We believe it should be a matter of great concern to the government of Canada that these trends be halted, as otherwise there will be serious inevitable losses to our future economy.

Then there was a brief in which I was particularly interested which was submitted by the forest industry associations of British Columbia. It is interesting to me that adversity always drives people together. I believe this is the first time in the history of Canada that all sections of the pulp and paper and lumber industries of British Columbia have presented, as it were, a united brief to the government of Canada or to a committee of this house. The persons who presented this brief, which is an excellent one covering very fully the problems of all the lumber industries in British Columbia, dealt at length with the problems of overseas markets, increasing competition and lack of export credits. I quote briefly from page 31 of the brief:

> In the field of pulp and paper our main concern is the decline of Canada's relative position in this important activity. It is substantial enough to give cause for alarm. We have lost over one million tons annual production not only to our chief competitor but also our chief market. We earnestly suggest that it would be in the interest of the national economy if all aspects of this decline were examined by the government and the feasibility of aggressive tax incentive policies was fully and carefully examined, as a method of overcoming some of the physical disadvantages that presently beset us.

Later we heard from a most interesting gentleman. I had never had the pleasure of meeting him before and I must say it was most refreshing to listen to his frank comments. In my opinion it is most refreshing to hear people say exactly what they think about certain questions even when you do not always agree with them. I enjoyed his testimony very much indeed. This gentleman dealt particularly with Canada's overseas trade position and emphasized the need for export credit. You must remember that the pulp and paper and lumber industries of Canada represent somewhere between 8,000 and 9,000 units but of these 8,000 to 9,000 units there are about 200 major concerns and the remainder are what we would term small industrial enterprises, which shows the large contribution they are making to the economy of the country. This gentleman dealt, with some heat on occasion, I admit, with our trade policies, our trade situation and the need for export credits and government action in this direction.

As I said previously, this bill is an attempt on the part of certain persons with initiative and enterprise to do something at least in a partial way to meet this growing need, and on that account we in this group support the bill. But the need is so great, as the member for Ottawa West mentioned, and the matter is of such urgency and importance that we believe it cannot be met in full and satisfactorily without action on the part of the government. Therefore we look forward to the introduction soon by the government of a measure that will provide for the establishment of a national corporation or agency that will satisfactorily meet the needs of our exporters and to that extent assist in the development of our overseas trade which is so important to Canada as a whole and so important to those persons who depend upon our export industries for their livelihood and welfare.

Mr. Broome: Mr. Chairman, I was very interested in the remarks of the previous speakers, particularly those of the hon. member for Lisgar when he went into some of the background of the bill. This may not be too pertinent at the committee stage but it is more or less essential because unfortunately the minutes, testimony and findings of the banking and commerce committees of the house and of the other place which considered the bill have not been published. As a result, this is the only record there will be for succeeding parliaments to look back on.

It is well that all phases and aspects of this particular bill be considered, although you can see there is general agreement on all sides of the house that this measure will be of advantage to this country, and it has the endorsement of all parties. It is true that the hon. member for Vancouver East and his colleague, the hon. member for Kootenay West, deplored the fact that it is not a government agency that is carrying out this purpose, but rather a private agency. A reading of the testimony given in the other place indicates that this corporation is backed by all the chartered banks of Canada, who are subscribers to it and who will bring their business knowledge and know-how to the operation of this corporation.

It is indicated also that this corporation will have behind it the facilities, and indirect aid, of one of the best banking systems in the world today. It is quite true, also, that a crown corporation could have been formed to assist in this particular manner, but this procedure is against the policy of Canada because it would set up further competition with private enterprise. A crown corporation, if formed, would probably receive many applications for development financing which would require the export of capital for labour and materials for development projects abroad. This is not the function of this corporation. The function of this corporation is to provide capital for lending to legitimate exporters. This capital would provide a revolving fund, as the hon. member for Ottawa West has said, of $50 million, and would most likely result in an effective fund of some $400 million. According to the witnesses, it is not $400 million but it will give an effective fund of some $500 million. It may well be that this fund will prove to be insufficient, but if it is I am sure the corporation will come back and request the right to have additional capital subscribed.

It has been pointed out that this corporation will be complementary to the Export Credits Insurance Corporation. It has been pointed out also, however, that the loans insured by the export credits insurance agency or corporation represent only 10 per cent to 15 per cent of the total business which will be done by the Export Finance Corporation. Over 50 per cent of the business will be done in the form of contracts which are outside of the present range of the Export Credits Insurance Corporation, although it may well be that as changes are made in that act some of these trading transactions will be brought within the ambit of the Export Credits Insurance Corporation.

Internationally Canada is recognized as an island of freedom in a sea of trade control. Other than our commonwealth tariff agreements we shun all bilateral and regional trading and payments arrangements. Canada's foreign trade is in the hands of independent traders and companies, free from restrictive government controls. On the other hand, a very large number of countries in the world

today negotiate exportable surpluses against required imports. These negotiations may be in the form of bilateral trade agreements, as the hon. member for Ottawa West has pointed out; they may be in the form of regional payments agreements, or they may be even special financial arrangements, as for example those of the United States through the United States export-import bank.

The problem with which our exporters have been faced is how to get around this dilemma without seriously compromising our economic principles of freedom of international trade and trade payments. This is a principle that we do not want to compromise because it is that principle of freedom of trade, freedom within the nation, that has led Canada, with its rather small population, to the position of the fourth trading nation in the world today. It is estimated that one out of five Canadians is dependent for his living upon export trade. The problem is, therefore, how to keep the advantages we now have and yet to leave our position on the fringe of this ring of countries which follow this method of negotiated trade agreements and enter into that circle in at least a limited form. If we do this, we will then have the best of both arrangements.

As I said before, all our chartered banks are shareholders in this corporation, so we will have immediately within this corporation the know-how of effective leadership to make the corporation a functioning entity almost right away. This is better than a government scheme because it is more flexible, more able to change with changing conditions than a government institution. The capital and borrowing power of the corporation will have one, and only one, objective and that is the promotion of export trade. There will be no special considerations in regard to the transactions the corporation undertakes. The only consideration will be, what is the risk and how best to meet it in all prudence to protect themselves, and what is a fair profit for the risk that they undertake.

The corporation will work in the closest cooperation with the Department of Trade and Commerce, of course, through commercial councillors of the department, through Canadian ambassadors and through liaison with the government within Canada. This corporation, without being tied by government policy and by government restrictions, will, I am sure, have the backing of the government in any way that they may require it. Examples have been cited of the opportunities which Canada has lost because we have lacked facilities such as these. One witness, Mr. Hurter, of an internationally known engineering firm, president of Stadler, Hurter & Company and Stadler Hurter International Limited, of Montreal, gave other examples. As I said before, the minutes of the committee were not printed, but I should like to put some of these examples on the record.

He pointed out that a project for Egypt calling for approximately $10 million of machinery and certain services was not bid upon by Canada because of the credit terms required. The contract was awarded to Krupp of Essen, Germany, based on 5½ years credit at 5¾ per cent interest. It was noted that Krupp would furnish only three items of equipment to an approximate value of $90,000, and the remainder would be subcontracted to other firms. Mr. Hurter said all of this equipment could have been purchased in Canada.

The second project was in Brazil, and although he does not mention the company I think it is a Canadian owned company which would naturally want to buy in Canada. The company could not do so because of the credit requirements. The value of this order would have been approximately $12 million, and 85 per cent of all machinery and equipment was purchased in Italy. Only approximately $50,000 worth was purchased in Canada, and strictly on a cash basis against shipping documents.

Again, Mr. Hurter pointed out that on a visit to Chile he was asked if he could obtain all the equipment and machinery and services as listed in the feasibility report prepared by his office on credit terms from Canada or any other country. Chile would raise the balance of the capital for the purchase of land, construction costs, railroad facilities, labour cost for installation of equipment. The value of this contract, according to Mr. Hurter, would be around $17 million. Credit was required which could not be secured in Canada. He goes on to point out that these same conditions prevailed in Mexico.

Incidentally, this corporation would undoubtedly be dealing with foreign government agencies which in effect are extensions of foreign governments. In effect, through the powers which they are asking for, they can even lend money to foreign governments in the way of financing Canadian exports.

With regard to this particular project in Mexico, the Canadian firms were able to manufacture the equipment required. They supplied bids. But because again of credit the orders went to other countries. Mr. Hurter went on to point out several other examples.

I know that last year when I was in Rio de Janeiro representing this house at the interparliamentary union, commercial coun-

sellors at our embassy pointed out several cases of very large orders which might have come to Canada if the requirements of the Brazilian government could be met. Brazil is on strictly a bilateral trade agreement, using barter deals. There was no way in which we could take advantage of the offerings. There was a question of railroad equipment, rolling stock, steel rails and so on. There was also the question of Canadair selling certain planes, and sending parts for a certain number more of this particular type of aircraft and eventually the project was to manufacture the last 57 in Brazil. I believe that particular project is still open. But the whole point was this. How could it be financed? Therefore, Mr. Chairman, I think that in this proposed bill to set up this company, we have a means by which we can take advantage of those deals which will be of advantage to this country.

Incidentally I may say that there will be many projects which this corporation will turn down because they would not be good business deals. But since it is their object to do as much business as they can, to make a fair profit and actually to give a service to our exporters—a service which they do not have at this time—I believe that it is perhaps the best method which could be evolved to take care of the conditions which prevail in certain nations in the world today whose markets we cannot now enter.

We have noticed that there has been a freeing of trade. There has been a reduction in currency restrictions. All of that is of help to us in our regular methods of having no restrictions on trade or payments. But there will still be a large number of countries, for a good many years yet, whose markets we shall be able to enter only by extensive credits and perhaps by negotiations of a nature which are not usual and normal in our regular trade channels.

Mr. McCleave: Mr. Chairman, perhaps I could take a few minutes of the time of the committee, following the remarkably interesting speeches of the other members who have preceded me in the debate this afternoon on Bill No. S-17, coming as I do from a port which literally and actually relies on the export and import trade.

The first thing I should like to say in speaking on clause 1, on which I understand the discussion may be in very general terms, is that I welcome the fact that private interests have combined together to such public advantage. I think that too often we in parliament are expected to solve almost any problem under the sun within the confines of these walls without giving consideration to the fact that outside of this place flows the great stream of commerce and that there live men and women who can be somewhat remote from the perhaps pedestrian and bureaucratic ways in which government is run.

It is for that reason that I welcome the fact that Mr. Clement Tremblay, Mr. Thomas Edwin Hays and Mr. Stanley Stanger and apparently a great number of other people have been interested enough to combine together to incorporate the Export Finance Corporation of Canada Ltd. If it were not for people of this ilk, Mr. Chairman, I believe we would have reached the positive state a long time ago and that 1984 would not only be in front of us but would be here right now and would be here to stay. If we can interest more people in doing this sort of thing for the public weal, we are indeed performing a service for Canada.

On this general theme, may I say this. I had occasion to do some study a while back on the psychiatric make-up of the members of parliament. I thought that perhaps too many of us manifested a rather grave Caesar complex in which we felt that any problem in the world could be brought before us and could be solved within this chamber. I am glad to note that hon. members from all parties have in fact supported the Export Finance Corporation of Canada, Ltd. which is purely a private enterprise undertaking. I welcome the fact that even with the reservation noted by the hon. member for Kootenay West, all of us seem to be bent on taking the same road.

The objects of the corporation are set forth clearly in clause 5. I welcome again the suggestion that this corporation shall help to finance and facilitate exports and imports and the exchange of goods and services between Canada and, first of all, the nations of the commonwealth and, second, other nations. It seems to me that the people behind this corporation have shown great statesmanship, having regard to the purposes for which this corporation was formed.

Clause agreed to.

Clauses 2 to 9 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Speaker: There are a number of divorce bills standing on the order paper for second reading. Is it the pleasure of the house to take them in one motion?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Mr. R. J. McCleave (Halifax) moved that the following bills be read the second time:

Bill SD-247, for the relief of Oscar Roy.—Mr. McCleave.

Bill SD-248, for the relief of Rosy Fish Tatelman.—Mr. McCleave.

Bill SD-249, for the relief of John Andrew Buzzell.—Mr. McCleave.

Bill SD-250, for the relief of Barbara Lucy Bain Forbes Logan.—Mr. McCleave.

Bill SD-251, for the relief of Ghitta Caiserman Pinsky.—Mr. McCleave.

Bill SD-252, for the relief of Florida Seyer Girard.—Mr. McCleave.

Bill SD-253, for the relief of Maria Adriana Sluis Metcalfe.—Mr. McCleave.

Bill SD-254, for the relief of Irene Kramer Segal.—Mr. McCleave.

Bill SD-255, for the relief of Lois Genevieve Good Mulcahy.—Mr. McCleave.

Bill SD-256, for the relief of Frances Lerner Rotman.—Mr. McCleave.

Bill SD-257, for the relief of Mose Takacs.—Mr. McCleave.

Bill SD-258, for the relief of Catherine Mary Rita Durning Dossett.—Mr. McCleave.

Bill SD-259, for the relief of Dorothy Elizabeth Fremantle Fleming.—Mr. McCleave.

Bill SD-260, for the relief of Donald Edward Cook.—Mr. McCleave.

Bill SD-261, for the relief of Maria Carmella Gentile Hammill.—Mr. McCleave.

Bill SD-262, for the relief of Ivy Mildred Patch MacDonald.—Mr. McCleave.

Bill SD-263, for the relief of Mary Friend Bond.—Mr. McCleave.

Bill SD-264, for the relief of Eleanor Patricia Henderson Cosh.—Mr. McCleave.

Bill SD-265, for the relief of Patricia McDonald Bouthillette.—Mr. McCleave.

Bill SD-266, for the relief of Louis Marcel Blondin.—Mr. McCleave.

Bill SD-267, for the relief of Janet Marianne Louise Kippen Coulombe.—Mr. McCleave.

Bill SD-268, for the relief of Demetra Paul Garini Liogas.—Mr. McCleave.

Bill SD-269, for the relief of Paul Alexander Cross.—Mr. McCleave.

Bill SD-270, for the relief of Elisabeth Marguerite Le Febvre Walker.—Mr. McCleave.

Bill SD-271, for the relief of Joseph Roger Wilfrid Girard Frigon.—Mr. McCleave.

Private Bills

Bill SD-272, for the relief of Jean Paul Frechette.—Mr. McCleave.

Bill SD-273, for the relief of Ben Plotkin.—Mr. McCleave.

Bill SD-274, for the relief of Tibor Matthias Miletics.—Mr. McCleave.

He said: Mr. Speaker, perhaps before these bills get second reading a few words would be in order. The number of divorce bills before us this afternoon and the number which have been previously given second reading but have not yet gone through all of the processes of the House of Commons bring the total number which have been considered by the house to 274. It may be of interest to the house in considering its work before the wind-up of the session, which we all devoutly hope is not too far away, if I say that I am informed by the committee of the other place that they plan to cease the hearing of these cases some time around June 10 or June 15. I realize I am not in order at all when I make that particular statement, Mr. Speaker, but nonetheless it will undoubtedly be of interest to the house and I am sure that no one will quarrel with me or anybody else in the hope that we may so arrange our affairs that we can get through our work by July 1.

With reference to the cases which are before us this afternoon, they are no worse, and perhaps some of them are somewhat better, than the type of case we have considered earlier in this particular session.

Did the hon. member for Ottawa West (Mr. McIlraith) wish to ask a question?

Mr. McIlraith: No, I am sorry, I have no question to ask.

Mr. McCleave: Apparently there are some other interests in the House of Commons this afternoon, Mr. Speaker. I do apologize for interrupting the private conversation between members of the opposition and members of the treasury benches.

There is one contested case before us this afternoon. Oddly enough, of all the cases before us this afternoon and the cases which have been considered before, not one involves husbands who are domiciled in the province of Newfoundland. I think that is a significant thought in itself. Over past years I have noticed that Newfoundland cases tend to run to about 2 per cent of the total which are considered by parliament. This year, or at least in the first 274 cases this year, there have been no cases which can properly be called Newfoundland cases. In other words, the cases which have come before us for consideration are from the province of

Quebec. So it is today that there are no Newfoundland cases among those we are considering.

As a sign of modern times in the automotive age, it may be noted with interest, if nothing else, that one of the cases involves a divorce on wheels: the offence complained of occurred in a motor car. I believe I mentioned earlier that another divorce bill, Bill No. SD-248, was a contested case. Apart from that, Mr. Speaker, there is nothing particularly interesting about the cases before us this afternoon.

Mr. Broome: May I ask the hon. gentleman a question. Has the hon. member any idea how many more cases will be coming before the private bills committee, or is that question out of order?

Mr. Speaker: That is a hypothetical and speculative question. Is the house ready for the question?

Mr. McCleave moved that the bills be read the second time.

Motion agreed to and bills read the second time.

Mr. Speaker: Pursuant to standing order 105, the said bills stand referred to the standing committee on miscellaneous private bills.

Mr. Pallett: Mr. Speaker, as it is now three minutes to six, it seems we cannot give a very full discussion to any other private bill, and with the permission of the house I would ask to call it six o'clock.

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

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. McIlraith: Would the hon. house leader indicate the business for Monday and as far as possible into next week as he can?

Mr. Green: Mr. Speaker, we intend to go ahead with the debate on the national energy bill. Then we will take the items I mentioned last night: the Federal-Provincial Tax-Sharing Arrangements Act, the C.N.R. resolution and the bill amending the Bretton Woods Agreements Act. Members might also be prepared to give approval to the convention on the nationality of married women. The first item on today's order paper concerns amendments made by the Senate to the act providing for the appointment of parliamentary secretaries. The government is accepting the amendments and we will be bringing that matter on for consideration as well.

Mr. McIlraith: Will the business be taken in the order indicated by the minister?

Mr. Green: I am afraid I cannot be certain of that, Mr. Speaker. We will try to keep to that order.

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

ANSWERS TO QUESTIONS

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

IMPORTATION AND SALE OF CARS BY DIPLOMATS

Question No. 413—**Mr. Badanai:**

1. Has any foreign diplomat been guilty of breaking the Customs Tariff and Excise Tax Act by importing luxury cars free of taxes and then selling them in Canada, during the past two years?
2. If so, what are their names?
3. How many cars were brought into Canada?
4. When and where were they sold and for what price?

Answer by: **Right Hon. J. G. Diefenbaker (Prime Minister):**

1. No.
2. See 1 above.
3. 242 automobiles were imported by diplomats during the period from April 1, 1957, to March 31, 1959.
4. No information available as to place of sale or price. Thirty-four of these 242 automobiles were sold prior to expiration of the two year period, under authority of order in council P.C. 1954/1700 dated November 9, 1954, whereby permission to sell may be granted by the Minister of National Revenue on the recommendation of the Secretary of State for External Affairs in cases of decease or sudden unexpected transfer.

IMMIGRATION STATISTICS

Question No. 415—**Mr. Carter:**

1. How many immigrants entered Canada in each of the years 1957 and 1958?
2. Of these, how many entered Canada through the ports of Halifax, Saint John, Quebec, Montreal and Vancouver?
3. Is there a record kept of the destinations of immigrants entering Canada?
4. If so, what were the destinations, by provinces, for the years 1957 and 1958?

Answer by: **Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration):**

1. 1957, 282,164; 1958, 124,851.

2.

Port	1957	1958
Halifax	49,345	29,870
Saint John	8,164	1,435
Quebec	81,031	35,139
Montreal airport	44,025	25,899
Montreal seaport	2,328	2,067
Vancouver airport	10,074	3,282
Vancouver seaport	3,155	2,432

3. The department maintains a record of the intended destination of all persons admitted to Canada as immigrants.

4.	1957	1958
Newfoundland	495	373
Prince Edward Island	134	78
Nova Scotia	2,789	1,786
New Brunswick	1,674	1,031
Quebec	55,073	28,443
Ontario	147,097	63,853
Manitoba	11,614	4,732
Saskatchewan	4,427	2,595
Alberta	21,131	8,429
British Columbia	37,528	13,400
N.W.T., Yukon and others	202	131
Totals	282,164	124,851

HOUSE OF COMMONS

Monday, May 25, 1959

The house met at 2.30 p.m.

THE LATE JOHN FOSTER DULLES

TRIBUTES ON PASSING OF FORMER U.S. SECRETARY OF STATE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, while it is a most unusual thing to do, the passing of John Foster Dulles, the former secretary of state of the United States, has evoked feelings of world-wide sympathy, and I shall therefore share with the house the message I sent yesterday to President Eisenhower on behalf of the parliament of Canada and the Canadian people:

May I express the deep sympathy of the government and people of Canada on the death of the Honourable John Foster Dulles.

In his passing, the American people have lost one of the outstanding figures of our time, one whose years of devoted service as secretary of state crowned a long and distinguished career in many spheres of private and public endeavour. The world has lost at a critical time a great and steadfast personality, ever vigilant in the defence of freedom.

To Canadians, he was more than a renowned world statesman; he was a friendly neighbour who regularly turned to his island home in Canada for rest and inspiration.

Our thoughts are with you and the people of the United States as you mourn the loss of one whose counsel was of such distinction and whose labours were so unstintingly given. His refusal to spare himself even when in the grip of a fatal illness will stand for years to come as an example of personal courage and public dedication.

Please extend to Mrs. Dulles and the family the expression of Canada's sorrow at his passing.

I know that the house and all Canadians will join with me in paying tribute to Mr. Dulles' memory. I may add that at the funeral in Washington on May 27 the government and people of Canada will be represented by the Minister of Finance (Mr. Fleming).

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in associating our party with what the Prime Minister has just said, and particularly with his words of sympathy to Mrs. Dulles and the other members of the family, perhaps I may be permitted to read a few paragraphs from the statement I gave to the press yesterday when I heard the sad news of Mr. Dulles' death:

History will evaluate the contribution he made to the solution of international problems. But we do not need to wait for history to tell us that this contribution was a powerful, at times a decisive one, and one that had the highest purposes behind it. His illness, and now his death, has left a vacuum in the direction of the foreign policy of his country, and indeed of the western coalition, which will not easily be filled.

He was a dedicated man and even his opponents could not but admire his courage, determination and capacity. He discharged his responsibilities with an unflagging zeal and a single-minded devotion that was beyond praise. He fought for what he believed with the intensity of a crusader and the skill of a great advocate.

He would have been a powerful and respected figure in the diplomacy and policy of any country he represented. As a spokesman of the most powerful state in the world, his was often the dominating voice. It never weakened in the pursuit, through policies in which he passionately believed, of freedom and security in the world as the foundation of peace. Those who worked with him to reach this goal, even though they may not have agreed with everything he said or did, will pay tribute to his sincerity of purpose, his clarity of mind and his magnificent courage, as they lament his passing at this time.

The free democracies have lost a great champion, whose like we shall not see again.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, we in the C.C.F. wish to be associated with the Prime Minister and the Leader of the Opposition in sending to Mrs. Dulles, their two sons, and the members of the Dulles family our sincere sympathy at the time of the passing of John Foster Dulles. He spent his life very largely in the service of the state department of the United States. Since the time he became secretary of state all have acclaimed his zeal, his strong will, and his complete devotion to that task.

The members of the C.C.F. movement in Canada, Mr. Speaker, have not always agreed with the policies put forward by John Foster Dulles, but we have admired his bravery throughout his life and particularly his great courage in fighting the dread disease of cancer which finally conquered him. Though we have not always agreed with his policies, we respected him as a western leader who put forward his views believing them to be right in the light of the many problems and trials confronting the world from time to time. We associate ourselves with this message of sympathy from Canada to the President of the United States and to the family.

ATOMIC ENERGY

AGREEMENT WITH U.S. ON USE FOR MUTUAL DEFENCE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I should like to make

a statement at this time in regard to an agreement signed on May 22 in Washington between the Canadian and United States governments providing for co-operation between the two countries on the uses of atomic energy for mutual defence purposes. I trust that the house will grant me leave to make this statement. An announcement concerning this agreement is being made simultaneously in Washington. Copies of the agreement will be available in the joint parliamentary distribution branch in both languages.

This agreement will enable Canada to take advantage of the amendments made last year to the United States atomic energy act, and therefore continue and extend the degree to which co-operation in this field has been carried out under the agreement for co-operation regarding atomic information for mutual defence purposes signed in Washington on June 15, 1955, and the amendment to the civil agreement which was signed on June 26, 1956.

Under the terms of the United States act, as members of the house know, agreements for co-operation on the uses of atomic energy for mutual defence purposes must lie on the table of the joint committee on atomic energy of the United States congress for a period of 60 days after signature. It is expected, therefore, that this agreement will come into effect in approximately that period of time.

It might be helpful if I were to draw the attention of the house to the main features of this agreement, and in that connection I will use the language of the agreement. It will permit the exchange of information necessary to the development of defence plans; the training of personnel in the employment of and defence against atomic weapons and other military applications of atomic energy; the evaluation of the capabilities of potential enemies in the employment of atomic weapons; the development of delivery systems compatible with the atomic weapons which they carry; research, development and design of military reactors to the extent and by such means as may be agreed.

Provision is made for the transfer to Canada under mutually agreeable conditions of such non-nuclear parts of atomic weapons systems involving restricted data as are jointly determined to be necessary to improve the state of training of Canada's armed forces and the operational readiness of those forces. Finally, the way will be opened for the transfer at some future time to Canada of military reactors and any special nuclear materials required for them. Because of the sensitive nature of the information and materials which will be exchanged and transferred under this agreement, certain appropriate safeguard provisions have been included.

I feel certain that the co-operation which will be carried out under this agreement will be of substantial benefit to Canada, not only in the training of our armed forces, in the development of defence plans and in the improvement in our military state of readiness and our equipment, but also in enabling Canada's armed forces better to play their part in the defence of North America and the free world.

I trust this agreement will be carried out in the same spirit which has marked the harmonious relations which have always existed between Canada and the United States on atomic energy matters.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, it is difficult to imagine an agreement on a more important subject than the one which the Prime Minister has just read to the house. I have heard it, as have other hon. members, for the first time. I would not wish to make any comment on it without the most careful consideration. Its importance certainly warrants that consideration.

However, from what the Prime Minister has said I gather that the co-operation which is visualized between the two governments in the field of atomic weapons does not extend to the transfer of control from the United States to Canadian sources of any atomic weapons which might be manufactured in the United States and be made available to the Canadian forces for tactical or defence purposes. That, of course, is an extremely important limitation—if indeed it is a limitation—in this agreement.

As I say however, the whole matter is of such great importance that I would not wish to make any further comment on it at this time.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, this is undoubtedly one of the most important announcements that has been made in this chamber for a long time. It is most difficult, without any prior notice, to be able to state one's position immediately on such an important and complicated matter. However, the principles which guide us in looking at such documents are well known. We are interested, of course, in defence. We are interested in the protection of the integrity of Canadian sovereignty. We shall study this agreement with great care and we shall comment on it after such study in the interests of not only Canada's defence but, of even greater importance, in the interests of the peace of the world.

ST. LAWRENCE SEAWAY

WELLAND CANAL—STATEMENT ON PROGRESS IN CLEARING VESSELS

Hon. George H. Hees (Minister of Transport): Mr. Speaker, because of the general interest that has been shown in this matter I feel sure that all hon. members will be interested to learn that good progress has been made in clearing through the Welland canal the accumulation of vessels that developed after the opening of the St. Lawrence seaway. When I visited the Welland canal two weeks ago today there was an accumulation of 40 upbound vessels waiting to enter the canal at Port Weller. The number had been reduced to five this morning; two ocean-going ships anchored in the lake reported to be waiting for pilots and three ships in Port Weller harbour, one ocean-going and two North American. There are no vessels awaiting entry or being delayed from entering the downbound channel at Port Colborne.

EXTERNAL AFFAIRS

STATEMENT ON U.S. INTERFERENCE WITH CANADIAN TRUCKS IN TRANSIT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on May 20 the hon. member for Vancouver-Kingsway asked me a question, and at that time I promised to give a report, as soon as definite information was available, as to the possibility of the United States authorities lifting the restrictions recently applied to Canadian trucks carrying goods in bond through United States territory.

I am glad to report, as has been indicated in the press, that the United States authorities have lifted these restrictions. Official notification of this decision was received by the Canadian embassy in Washington on May 22. I may add that the government, and I am sure this house, welcomes this helpful action by the United States which reflects a willingness to co-operate in the solution of our joint commercial problems.

JUDGES ACT

AMENDMENT TO PROVIDE SALARIES FOR ADDITIONAL JUDGES

Hon. Howard C. Green (for the Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

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

Motion agreed to.

MOTIONS FOR PAPERS

LEASE OF LAND, ST. JEAN, QUE.

Motion No. 108—**Mr. Dupuis:**

For a copy of the lease, if any, entered into by the government and the St. Johns' yacht club, in connection with the use of a parcel of government land on the bank of the Richelieu river at St. Jean, province of Quebec.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the government will be pleased to table this information.

Motion agreed to.

GASOLINE PUMPS AND REPAIR SHOP, ST. JEAN-D'IBERVILLE

Motion No. 109—**Mr. Dupuis:**

For a copy of all telegrams, correspondence, lease and other documents exchanged between the Department of Transport and Messrs. Robert and Bernard Goineau or any other person or persons, in connection with the installation of gasoline pumps and a repair shop on a parcel of land belonging to the federal government on the shore of the Richelieu river at St. Jean-d'Iberville.

Motion agreed to.

TERM 29, TERMS OF UNION, NEWFOUNDLAND

Motion No. 110—**Mr. Carter:**

For a copy of any letters or communications received by the Prime Minister from the Newfoundland board of trade, since March 25, 1959, regarding term 29 of the terms of union, and any replies thereto.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I might say in this connection that there is just the one letter, and that letter was included in the documents produced in response to a recent motion made by the hon. member for Bonavista-Twillingate.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, on this subject I wonder if I might be permitted to ask the Prime Minister if that is the only document in that other return, because it was the only one which reached my desk.

Mr. Diefenbaker: Whatever documents were produced were the only ones.

Mr. Speaker: In the circumstances referred to by the Prime Minister would the hon. member wish to withdraw this motion? Is it the pleasure of the house that this motion be dropped?

Some hon. Members: Agreed.

Order discharged and motion dropped.

Motions for Papers

UNEMPLOYMENT INSURANCE—BENEFITS TO CANADIANS IN BORDER STATES

Motion No. 111—**Mr. Racine:**

For a copy of all telegrams, correspondence and other documents exchanged since January 1, 1955, between the federal government and the authorities of the states of Maine and New Hampshire and other persons, with respect to unemployment insurance benefits for Canadians employed by lumbering interests in the border states.

Motion agreed to.

MINUTES OF MEETINGS, UNEMPLOYMENT INSURANCE ADVISORY COMMITTEE

Motion No. 112—**Mr. Caron:**

For a copy of the minutes of the several meetings of the unemployment insurance advisory committee convened on August 19, 1958.

Hon. Michael Starr (Minister of Labour): I have given this motion careful consideration, and in view of the fact that minutes of this sort have been considered as privileged documents, and because if such a practice were indulged in it would undermine the work of all such committees, I cannot accept it.

Hon. Paul Martin (Essex East): Will the minister not give consideration to the fact that he tabled—

Mr. Speaker: Order. I am sorry, but this motion is not debatable under the rules unless the matter is deferred for debate, and in these circumstances it is my duty to put the motion.

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

YEAS

Messrs:

Argue	Herridge
Badanai	Howard
Batten	Leduc
Bourget	McIlraith
Brassard (Lapointe)	McMillan
Caron	Martin (Essex East)
Carter	Martin (Timmins)
Chevrier	Pearson
Dumas	Peters
Eudes	Pickersgill
Godin	Regier
Granger	Robichaud
Habel	Winch—27.
Hardie	

NAYS

Messrs:

Aiken	Browne (St. John's West)
Allmark	Browne (Vancouver-Kingsway)
Anderson	Cadieu
Balcer	Campbell (Stormont)
Baskin	Cardiff
Bell (Carleton)	Casselman, Mrs.
Bell (Saint John-Albert)	Cathers
Bourdages	Charlton
Brooks	Churchill
Broome	Clancy
Coates	McBain
Comtois	McCleave
Courtemanche	McFarlane
Creaghan	McGee
Crouse	McGrath
Diefenbaker	McGregor
Dinsdale	McIntosh
Dorion	McLennan
Doucett	McPhillips
Drysdale	McQuillan
Dubois	Mandziuk
English	Martel
Fairclough, Mrs.	Martineau
Fairfield	Matthews
Fane	Milligan
Fleming (Eglinton)	Monteith (Perth)
Fleming (Okanagan-Revelstoke)	Montgomery
Flynn	Morris
Forbes	Muir (Lisgar)
Fraser	Murphy
Grafftey	Nielsen
Green	Nowlan
Grenier	Nugent
Hales	O'Hurley
Halpenny	O'Leary
Hamilton (Notre Dame de Grace)	Pascoe
Hamilton (Qu'Appelle)	Payne
Hamilton (York West)	Pearkes
Hanbidge	Phillips
Harkness	Pigeon
Hees	Pugh
Henderson	Rapp
Hicks	Rea
Horner (Acadia)	Regnier
Howe	Ricard
Jones	Robinson
Jorgenson	Simpson
Jung	Skoreyko
Keays	Smallwood
Kindt	Smith (Calgary South)
Korchinski	Smith (Lincoln)
Kucherepa	Smith (Winnipeg North)
Lambert	Southam
Latour	Speakman
Lennard	Starr
Macdonnell	Stearns
MacEwan	Stefanson
MacInnis	Stewart
MacLean (Queens)	Stinson
MacLean (Winnipeg North Centre)	Tassé
MacLellan	Thomas
Macquarrie	Villeneuve
MacRae	Vivian
	Weichel
	White
	Winkler
	Woolliams—130.

UNEMPLOYMENT INSURANCE

REQUEST FOR MINUTES OF ADVISORY COMMITTEE MEETING ON AUGUST 19, 1958

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Labour how he justifies the refusal of the government to table the minutes of the meeting of the unemployment insurance advisory committee convened on August 19, 1958—

Mr. Speaker: Order. The hon. member is asking about a matter that has been determined by the house within the last few

minutes. It is therefore a matter that is decided. On what basis would such a question be in order?

Mr. Martin (Essex East): What I am asking, Mr. Speaker, is why the Minister of Labour saw fit to table the minutes of the unemployment insurance advisory committee of July 24 and 25, 1950, under the previous regime, when he refuses to table the minutes of a meeting of the unemployment insurance advisory committee in this instance.

Mr. Speaker: I understand what the hon. member is asking. What I am interested in knowing is how it could be in order to ask such a question at this time. It is purely an argumentative question.

Mr. Martin (Essex East): Mr. Speaker, surely I am entitled to ask the Minister of Labour—

Mr. Speaker: Order. Unless the hon. member can cite some authority for the propriety of the course he is seeking to follow I would ask him not to pursue it.

Mr. Martin (Essex East): Mr. Speaker, I would submit what is perhaps the best authority, and that is a statement containing the actual words of the minister.

Mr. Speaker: I am sorry. I understand that the hon. member is trying to argue with the minister about a decision he expressed before the vote was taken on the basis of some other decision taken at an earlier time. I do not think it is in order to ask such a question at this stage. It may be in order to refer to it on the estimates or at some other time, but to my mind it is not the type of question that should be asked on orders of the day and I ask the hon. member not to pursue it.

Mr. Martin (Essex East): You ask me not to pursue it, but with your permission I should like to pursue it because it is a matter that involves the rights of parliament.

Mr. Speaker: There are ways of dealing with the rights of parliament, but my decision is that it is not proper to ask this question on the orders of the day.

[*Later:*]

Mr. Alexis Caron (Hull): Mr. Speaker, may I direct a question to the Minister of Labour. As reported at page 3869 of *Hansard* the minister said this:

> Yes, I believe it is a reasonable request, but my suggestion to the effect that there is a routine procedure to be followed is also reasonable.

This is my question. Would the minister tell me how he could change his mind so quickly?

Mr. Speaker: The hon. member heard a previous attempt to introduce the same form of argumentive question, and—

Hon. L. B. Pearson (Leader of the Opposition): I rise on a question of privilege, Mr. Speaker, which I think affects all members of the house. On May 21 in connection with the matter to which my hon. friend has just referred, a question arose and it resulted in an inquiry by the hon. member of the minister as to what procedure should be followed to get certain information. The hon. member was told how to get that information, and because he was given that advice he himself did not pursue the matter further.

We now find that in attempting to get the information by that method, we cannot secure it because the government will not give it. I think that is a question of privilege. If the minister had not taken the stand he did the other day the matter would have been pursued then. We have now been foreclosed from getting that information from the government.

Mr. Speaker: I am not sure where the previous attempt to get information took place. Was it in committee?

Mr. Pearson: Perhaps I did not make myself clear, Mr. Speaker. It was on May 21, on the orders of the day, as reported at page 3869 of *Hansard,* when the hon. member asked the minister whether he would table the minutes of a certain unemployment advisory committee meeting. The minister replied that that was a reasonable request but that there was a proper procedure to follow in getting that information. He made the request that that procedure should be followed, as a reasonable request, and it was followed by my hon. friend. As a result we have been foreclosed from getting the information from any source. The minister therefore misled the house, Mr. Speaker.

Mr. Speaker: I suppose that if the minister had given an undertaking to produce the document it might have been a matter of privilege. But as the Leader of the Opposition recites what took place, I take it that the minister suggested that a motion be made for a return, something which has been done, and the house has now decided not to order the production of the document. I do not see how there can be any possibility of a question of privilege with regard to the house's decision. I would say that no question of privilege really arises at the present time.

Mr. Caron: Speaking to the question of privilege, Mr. Speaker, may I say that on that date I was misled by the minister. From the way in which he spoke—"I believe

it is a reasonable request"—I thought it would be given if I went through the ordinary channel to get the answer. If the minister had not led me to believe that he would give the information we would have pursued the matter at the time. Because the minister misled me at the time and refused the information today, we are denied the privilege of discussing the matter in the house. I believe this is a question of privilege for the members of the house.

Mr. Pickersgill: Deprived of debate by trickery.

Mr. Speaker: There cannot very well be any question of privilege arising out of a vote freely taken in the house. I do not see how the hon. member can raise the point now. It is perhaps unfortunate that he did not pursue the matter on the earlier occasion.

Some hon. Members: Oh, oh.

Mr. Speaker: As far as I am concerned the question of whether or not the document in question should be produced has been determined finally by a vote of the house. If there is anything to be made of what took place on an earlier occasion, it is any hon. member's privilege to raise the matter, of course, and to ask the house to deal with it.

Mr. Caron: The question of privilege, Mr. Speaker—

Mr. Speaker: I should like to hear from the Prime Minister.

Right Hon. J. G. Diefenbaker (Prime Minister): I am sure, Mr. Speaker, the hon. member for Bonavista-Twillingate will withdraw the statement he made a moment ago. I know it followed in the course of another statement that was not in keeping with the position of the Leader of the Opposition, when he said that the minister had misled the house.

Mr. McIlraith: Sure he did.

Mr. Diefenbaker: The hon. member for Ottawa West is at his best when he is sitting down and keeping quiet. I think the hon. member for Bonavista-Twillingate should withdraw his statement.

Mr. Pickersgill: Would the Prime Minister say what he would like withdrawn?

Mr. Diefenbaker: I would think that the hon. member being about to write the history of Mr. King, and having—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I am afraid the Prime Minister is introducing another point of order in the middle of the first one. The Prime Minister is asking for a statement to be withdrawn. If he would allow me to deal with the first matter, then I would—

Mr. Diefenbaker: Mr. Speaker, will you allow me to finish now?

An hon. Member: A special privilege.

Mr. Diefenbaker: I have sat here quietly listening to all these slurs based on nothing more than imagination. I was asking that the hon. member withdraw the statement he made a moment ago that there was trickery in what had actually taken place. I suggest that statement is not in keeping with the responsibility of the house, however far the Leader of the Opposition goes in that direction.

Mr. Pearson: Mr. Speaker, as the Prime Minister was allowed to finish his observations perhaps I might be permitted to say a word, because he asked me if I would withdraw—

Mr. Diefenbaker: No.

Mr. Pearson: —the statement that the minister had misled the house.

Mr. Diefenbaker: No, I did not ask that.

Mr. Pearson: Mr. Speaker, you will recall that the Prime Minister did say that to me. I said the minister had misled the house. I did not say the minister had knowingly misled the house, because the minister would not do that; but the minister did mislead the house unwittingly by taking the stand on May 21 to which I have referred, in which he advised an hon. member of this house of the procedure to be followed in order to secure certain information. In accepting that advice the hon. member let the matter drop.

Having taken that advice, the minister and the government now have refused to give the information asked for in accordance with the procedure which the minister himself stated was reasonable. That is why I said the minister had misled the house in the advice he had given the hon. member last Friday, and I do not withdraw that observation.

Mr. Speaker: It has been raised as a matter of privilege that the Minister of Labour—I take it he is the minister referred to—has by his conduct offended the privileges of the house. What was said on the previous occasion is a matter of record in *Hansard*, as is also what has been said today. If there is any matter of privilege it is a privilege of the house, and is a matter for the house to deal with. Does the Minister of Labour wish to speak to the point?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the other day both the hon. member for Essex East and the hon. member for Hull spoke to this matter. The hon. member for Hull requested that I table the minutes of the meeting which was held on August 19, 1958, and the member for Essex East asked whether it was a reasonable request. I said it was a reasonable request. Any request is a reasonable request; but it is still a decision for the minister to make whether such documents will be submitted. I pointed out to the hon. member for Hull that there was a procedure in this house under routine proceedings and orders of the day under the heading "Notices of Motions for Production of Papers".

Mr. Martin (Essex East): Mr. Speaker, before you go any further on this matter, may I ask if you do not think that not only the privilege of a private member is involved here but also the privileges of this house? The Minister of Labour tabled the minutes of certain meetings which were held in July, 1950. The minister was not asked to table those minutes; he did so voluntarily. Then when requested to table the minutes of the advisory committee meeting on August 19 last he said that he could not table those minutes because they were privileged documents. Surely that statement cannot be correct unless it also applies to the minutes of the other meetings which he voluntarily tabled, and I suggest that the minister owes it to the house to explain.

Mr. Speaker: The hon. member is now getting on to a different point. The question of privilege which was raised by the Leader of the Opposition relates to the conduct of the Minister of Labour on a previous occasion, which I take it is asserted becomes a matter or privilege by reason of the decision which the Minister of Labour announced to the house today.

Mr. Starr: I think, Mr. Speaker, this will probably explain the situation. When I voluntarily tabled in this house four reports, I did so because the hon. member had asked me whether it was possible to have them tabled. If I had had any intention of tabling the minutes relating to all those reports I would have done so, but the hon. member will notice that out of the four reports only the minutes of one of the meetings were tabled.

Mr. Martin (Essex East): But the minister tabled those.

Mr. Starr: Would the hon. member permit me to explain; unless he does not want an explanation, in which case I will sit down. The only reason those minutes were tabled was because they were attached inadvertently. They were stapled and tabled inadvertently, and the hon. member can take my word for that. If I had noticed that the minutes were attached to that one report I certainly would not have tabled them.

Mr. Martin (Essex East): Mr. Speaker, I beg the right to say something now. The minister has said that he tabled the minutes of July 24 and July 25 inadvertently. If he makes that statement, of course under the rules of this house I must accept it. But since the minister has had ample opportunity to correct the situation and state that the minutes were tabled inadvertently, I can only conclude that his refusal to table the minutes is because the government is afraid to disclose their contents.

Some hon. Members: Oh, oh.

Mr. Starr: Mr. Speaker, I think I must answer that charge. The hon. member has the report of the advisory committee.

Mr. Martin (Essex East): I want the minutes.

Mr. Starr: The report highlights the discussions and the recommendations which went on in the course of the meeting and he has that information. Therefore he cannot possibly charge with any sense of honesty and decency that the government has anything at all to hide, because the report is tabled.

Mr. Speaker: I think this matter has been pursued far enough. There is no motion before the house. If there is a matter of privilege involved it can be raised in the proper way by a motion. I can see how the difficulty arose, but the explanations have been given by the minister and it is up to members to consider the matter from that point on, and I hope the matter will be dropped now.

However, the right hon. Prime Minister raised a question which I have not yet disposed of.

Mr. Diefenbaker: Mr. Speaker, I want to repeat the exact words. The hon. member for Bonavista-Twillingate made the statement that the house had been deprived of debate by trickery. All I would suggest is that in the interests of maintaining the decorum of the house, the hon. member do what I think members in general would expect him to do, namely withdraw the statement.

Mr. Pickersgill: I did not say "the house had been"; I made the exclamation, "Deprived of debate by trickery". We have certainly been deprived of debate; that is abundantly evident. Whether it was by trickery or by some other means, I imputed no motive to any individual. If Your Honour

says it is wrong to say that the house has been deprived of debate by trickery or if Your Honour feels it is unparliamentary, I shall withdraw the word "trickery", but unless Your Honour says so I will not withdraw it.

Mr. Speaker: I did not hear the words, and I am not sure they went on record in *Hansard*. However, a request has been made for their withdrawal and it is clear, now, what was said. It is true that unless a statement is offensive in the sense that it charges a member with some reprehensible conduct related to him specifically, it is not unparliamentary; but I think in the circumstances, when the discussion related entirely to the conduct of the Minister of Labour, the inference is there, and I should feel much better if the hon. member for Bonavista-Twillingate would indicate that he was not charging the Minister of Labour with trickery.

Mr. Pickersgill: I never intended to charge the Minister of Labour with trickery. I am quite willing to withdraw the word "trickery" and say that we were deprived by maladroitness.

Mr. G. J. McIlraith (Ottawa West): I should now like to raise another point of order, and it is this. The Minister of Labour in referring to the hon. member for Essex East used the expression "if he has any sense of decency at all". Following the remarks which were made about the use of the word "trickery" I would say that the words "any sense of decency" implied that the hon. member for Essex East personally has no sense of decency. This is a direct charge against a named person, and I ask that those words should be withdrawn.

Mr. Speaker: I will give the minister a chance to say what he has to say about that.

Mr. Starr: I do not recall the exact words. I think I said "If he had any sense of decency..."

Mr. McIlraith: We have been in considerable difficulty this afternoon with regard to rulings which are, by the very nature of things, difficult to make. This statement was made by the Minister of Labour in the heat of an announcement on a somewhat complicated question, and the point of order was raised immediately afterward. The minister charged the hon. member for Essex East with having no sense of decency, because he said that if the hon. member had any sense of decency he would not have said what in fact he did say. I fail to see any distinction between that direct personal remark reflecting on the character of an hon. member who was identified by name and the other somewhat general charge about what had been done.

Mr. Speaker: I have given the minister who made the offensive remark his opportunity to speak. It was, unfortunately, offensive, but many remarks are offensive though they are not unparliamentary. The reason I felt so strongly about the use of the word "trickery" was that it does involve an underhand and deceitful course of conduct, and if any hon. member accused another of that I would feel it proper to ask that the word be withdrawn. The other matter is, to my mind, not something I should insist upon.

IMMIGRATION

JEAN ORESTE VOLCY—REPORTED STATEMENT ON REASONS FOR LEAVING CANADA

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration arising out of a news report in this morning's *Gazette* to the effect that Mr. and Mrs. Volcy and their Canadian born daughter are now leaving Canada for the United States because, according to Mr. Volcy, they are tired of being watched by immigration officials, and that they would be permitted to remain in Canada if they were not coloured.

Would the minister care to comment on these statements and say what consideration is being given to cancellation of the deportation order so that a Canadian child will not be deprived of her birthright?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the hon. member for Assiniboia was kind enough to give me notice of his intention to ask this question and accordingly I have prepared a statement on this matter, which with the permission of the house I should like to present.

Mr. Speaker: I take it that the answer is somewhat longer than is usual on orders of the day?

Mrs. Fairclough: Yes, Mr. Speaker.

Mr. Speaker: Has the hon. member permission to proceed with the answer?

Some hon. Members: Agreed.

Mrs. Fairclough: Thank you. The facts of the case are as follows. Jean Oreste Volcy is a citizen of Haiti, 29 years of age. He entered Canada on September 6, 1951, at which time he claimed he was single and was destined to the Institut Agricole d'Oka, Quebec, to study agronomy. He remained at

that institution until the end of March, 1952, and left the institution when he failed to pass his examinations.

He registered with the school of veterinary medicine in St. Hyacinthe, Quebec in September, 1952, but again failed to pass. On July 28, 1953 he registered with the school of textiles at St. Hyacinthe, Quebec, where he obtained a diploma in cotton weaving on June 13, 1956.

On May 29, 1956 he started working for Bathurst Containers as a take-off man. At that time he declared to his employers for income tax purposes that he had three dependents, i.e. a wife, Nicole, and two children, Jean age six, and Nicole age three, all of whom he claimed were residing in Montreal.

On June 18, 1956 he registered with the Institut Alie, Montreal, for a commercial course which was due to start in September of that year. According to a letter from the Institut Alie he quit his studies there about November or December, 1956, leaving an unpaid balance of $60.

In September, 1956 he had been granted an extension of stay in Canada to expire on September 1, 1957. On September 3, 1957 Mr. Volcy called at the Montreal immigration office and requested a further extension of stay in Canada stating he was registered with the Elie business college. It was subsequently established that he had registered at the Elie business college at the beginning of September, 1957 but did not present himself when courses started on September 9, 1957, and it has been confirmed that he never attended any courses at that institution.

When he applied for an extension of his temporary stay in September, 1957, Mr. Volcy stated that he was single and requested an extension on the basis that he was still a student. He definitely claimed he would never apply for permanent admission. He also denied being employed at that time. The requested extension was granted on the basis of the information furnished, but it was subsequently established that Mr. Volcy was not then single, nor was he a student, he was employed, and in fact he later applied for permanent residence.

Upon subsequently learning that Mr. Volcy was married an effort was made to locate him at the last address furnished the immigration officials, but he had moved and his whereabouts were unknown. In November, 1957 he was located in Montreal, and when an officer of the immigration branch called to interview him a person now known to be Mrs. Volcy denied she was his wife and claimed to be only a friend.

It was established, however, that the Volcys were married in New York city in August, 1957, four months previously. Mr. Volcy further admitted that the dependents he previously claimed for income tax deduction purposes were non-existant. Mr. Volcy's attorney at this time suggested that Mr. Volcy be granted the privilege of effecting voluntary departure from Canada.

The first order of deportation was issued against Mr. Volcy in October, 1957, at which time it was not known he was married. A new order was issued in April, 1958 in which his wife, Mrs. Volcy, was included. At this time they had no children. I might say that the child has never been included in the order of deportation, and in fact remains a Canadian citizen and travels on a Canadian passport, with the right to return to Canada at any time.

When the Volcys were served with the order of deportation their solicitor argued that they had not been given an opportunity to establish that they were not subject to deportation. To meet the solicitor's objection the first order of deportation issued in April was cancelled and new orders were issued by the minister on October 28, 1958, only after a complete review of the representations made by the solicitor on behalf of his client. These deportation orders were served on the Volcys on November 10, 1958, and they were released under a conditional bond on that date.

On November 14, 1958 a petition for prohibition was served on the minister, and this was dismissed by the courts in Montreal on December 19, 1958. On January 6, 1959 the solicitor filed an appeal and deportation was accordingly suspended. In the meantime the Volcys applied for United States visas in November, 1958 and they effected voluntary departure from Canada on May 24, 1959.

From the time the deportation order was first issued until they left Canada voluntarily they were never watched by immigration officials, as has been alleged, but remained at liberty while complying with the conditions of the bond under which they were released.

This case has been given a great deal of publicity, and it has been alleged that the Volcys were being deported because of their ethnic origin. I must deny this categorically. It is well known to hon. members that Canada admits students from many lands, and of every ethnic origin, and they encounter no difficulty as long as they continue their studies. It is evident from the summary of the Volcy case, however, that from 1956, at least, Mr. Volcy has not been a bona fide student but has rather endeavoured to remain in Canada permanently by various devious means. He is not admissible as an immigrant under Canadian immigration

regulations, and his record is not such as to warrant any special consideration.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a supplementary question. In view of the fact that this so-called voluntary departure, under threat of a deportation order, involves the exile of a Canadian citizen, does the minister not think that in this case humanitarian considerations should have priority over the department's adherence to the letter of the law being stubbornly upheld?

Mr. Stinson: That is very cheap.

Mrs. Fairclough: Mr. Speaker, as I said when my estimates were before the committee, what the hon. member is now saying does not jibe at all with his practice when he occupied this post.

Mr. Pickersgill: I should like to ask the hon. lady a further supplementary question. I will not comment on that remark, because I said what I had done at that time was wrong. I should like to ask the hon. lady if, as she promised during consideration of her estimates, any further consideration was given to this case after it ceased to be sub judice?

Mrs. Fairclough: It did not cease to be sub judice until they departed from this country last evening.

Mr. G. J. McIlraith (Ottawa West): May I ask a supplementary question. I should like to ask the Minister of National Revenue if he or his department provided the information to the Minister of Citizenship and Immigration concerning what was contained in the income tax returns as to the number of dependents of this immigrant, and now made public by the minister?

Hon. George C. Nowlan (Minister of National Revenue): The answer is no.

Mr. Pickersgill: I wonder if I could ask if she could disclose to the house where she got that information?

Mrs. Fairclough: I do not think there is any secret about it. It was given to us by employers who had in their possession form TD-1, which all employees fill in when they claim more than the statutory exemption of $1,000.

Mr. Pickersgill: Does the hon. lady think she is entitled—

Mr. Speaker: Order. This seems to be developing into a debate. Does the hon. member wish to ask a further supplementary question?

Mr. Pickersgill: My supplementary question is this. In view of the fact that it has always been clearly understood that the government does not make public information on income tax returns, I should like to ask the hon. lady if she thinks she was entitled to give information of this sort to the public.

Mr. Martin (Essex East): Answer.

HISTORIC SITES AND MONUMENTS

HARRINGTON LAKE, QUE.—SUGGESTED COUNTRY RESIDENCE FOR PRIME MINISTER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I will now quieten the atmosphere by asking a non-controversial question of the Minister of Public Works. In view of the general concern that the historic and beautiful Harrington lake residence and property be preserved and used to the best advantage, will the government recognize this concern and interest by the introduction of legislation that will establish this property as an official government country residence for use by the Prime Minister, his distinguished guests and other appropriate persons?

Hon. Howard C. Green (Minister of Public Works): I should like to thank the hon. member for giving me notice of this question. The suggestion he makes will be given serious consideration by the government, and should it be the wish generally of hon. members that such a course be followed I should think legislation could be introduced at this session.

AIR TRANSPORT

AUSTRALIA—INQUIRY AS TO RENEWAL OF AGREEMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister. May I ask the Prime Minister if during the course of the visit of the Prime Minister of Australia, he had an opportunity to discuss with him the subject matter of the air agreement between that country and Canada, and what progress if any has been made up to this time in the negotiations?

Right Hon. J. G. Diefenbaker (Prime Minister): There was a general reference to that matter, but there was no progress made other than had already been achieved at the time of the arrival of the Prime Minister.

HOUSING

C.M.H.C.—INQUIRY AS TO EVICTION NOTICES TO POLYMER CORPORATION WORKERS

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I should like to direct a question to the Minister of Public Works. I wonder if he could advise

the house what his department is doing with respect to the veterans in Sarnia who are tenants of C.M.H.C., and who are out on strike against the Polymer Corporation?

Hon. Howard C. Green (Minister of Public Works): On Friday last I announced that I thought arrangements could be made by Central Mortgage and Housing Corporation in connection with those tenants who are in arrears. Now a special representative is being sent to Sarnia to assist the branch manager there in interviewing the tenants who are in arrears. I am very hopeful that a settlement can be reached.

Hon. Paul Martin (Essex East): May I ask a supplementary question. I take it that my hon. friend's answer to the question put by the Leader of the Opposition the other day is still the same, namely that under no circumstances will the government tolerate any evictions taking place because these people are out of work, through no fault of their own?

Mr. Green: As I pointed out to the hon. member for Essex East the other day, there have been no eviction notices given. Whatever notices were given were notices of termination of tenancy, and eviction proceedings would only follow the expiration of the notice of termination. I can assure the hon. member that each of these cases will be examined very carefully on an individual basis, and I think he may rely on it that there will be no harsh methods allowed.

Mr. Martin (Essex East): No evictions; that is what I asked.

POWER

NEWFOUNDLAND—INQUIRY AS TO FEDERAL AID IN BAY D'ESPOIR DEVELOPMENT

On the orders of the day:

Mr. J. A. McGrath (St. John's East): I should like to direct a question to the Prime Minister. Can the Prime Minister tell the house if it is true that the government of Canada has offered to make available to the province of Newfoundland, under the Atlantic Provinces Power Development Act, more than $9 million in order to make possible a 350,000 horsepower hydro development at Bay d'Espoir on the southeast coast of Newfoundland?

Right Hon. J. G. Diefenbaker (Prime Minister): On Friday last I sent a telegram and a confirming letter to the premier of Newfoundland, informing him that this government is prepared to enter into agreement with his province to make possible the construction of a proposed power transmission line, in accordance with the Atlantic Provinces Power Development Act, on terms similar to those in an agreement made under this act with the province of New Brunswick.

The transmission line in question would be in connection with the development of a 350,000 horsepower hydroelectric power project at Bay d'Espoir by the British Newfoundland Corporation.

By and large, the cost of all transmission facilities in connection with the project would be capitalized at the date of completion of construction and funds made available by this government, repayable in 40 equal annual instalments with interest at the federal borrowing rate plus one-eighth of one per cent.

I might add that if the province of Newfoundland wishes to enter into such an arrangement, I hope the premier will let me know at an early date.

THE CENSUS

INQUIRY AS TO QUESTIONS RESPECTING ETHNIC ORIGIN

On the orders of the day:

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Will there be in the census of 1961 a question which will permit people to indicate their ethnic or racial origin?

Mr. Pickersgill: That is a statistical question if there ever was one.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, that question arose in the house on February 24 and was answered on that occasion. There must be a misunderstanding among some people in Canada with regard to this matter, or perhaps the information has not reached them through the press. The answer is that there will be two questions on the census return, one dealing with the country of citizenship, to which the answer will normally be, of course, "Canada," although those who have not their citizenship papers will reply "United Kingdom" or "United States" or whatever country of which they happen to be a citizen. There is a blank space left if the country is not named in the form. It is open to people to indicate and write in the country if it is not listed.

Then there is a second question: "What is your ethnic descent on the father's side?" There people may list their ethnic descent as they wish. The form carries about 24 types of ethnic groups, and again a blank space is left for those who do not find there the one they wish to put down. To that question people may answer "Canadian" if they so desire, or "English" or "Welsh" or "French" or "Polish" or whatever ethnic group from which they claim descent.

Inquiries of the Ministry

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the minister a supplementary question. Would he not agree that asking people for their ethnic origin is in opposition to the Prime Minister's earlier opinions, often expressed in Canada, namely that he is opposed to hyphenated Canadians?

Mr. Churchill: There has been a great demand that I have received by way of letters and representations that this type of question appear on the census return.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO NEGOTIATIONS BETWEEN CORPORATION AND EMPLOYEES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of Labour. In view of the report on the radio news this morning concerning negotiations between the C.B.C. and its employees, can the minister bring the house up to date with regard to the position of the negotiations?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, there has been no direct communication with me as Minister of Labour with regard to these discussions which are going on at the present time. I have only the information I have read in the newspapers.

Mr. Chevrier: May I just follow that matter up. I asked a question earlier, perhaps a week or ten days ago, and the minister indicated that his officers were at the disposal of either side. Have his officers been requested to help bring about a settlement in this case?

Mr. Starr: Not to my knowledge.

SHIPPING

NEWFOUNDLAND—STATEMENT AS TO CONTRACTS FOR VESSELS FOR C.N.R. SERVICE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Burin-Burgeo inquired if contracts have been awarded for the two vessels to be built for the Newfoundland coastal service. Contracts have not yet been signed but the necessary submissions to treasury board have been made, and as soon as approval is received formal contracts will be entered into.

[Mr. Churchill.]

TRANSPORT

PRINCE EDWARD ISLAND—SUGGESTED IMPROVEMENT IN FERRY SERVICE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Transport. Can the minister say whether or not two engineers of the Canadian maritime commission have been in Michigan investigating the possibility of buying the ship *Vacationland* to be used in the ferry service to Prince Edward Island? If so, has the minister had a report, and when will a decision in this regard be made?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the answer is that engineers have been looking over the *Vacationland*. A decision has not yet been made.

Mr. Argue: I have a supplementary question in the same field. Can the minister say whether or not a report on the feasibility of a causeway to Prince Edward Island is expected to be received by the minister in June?

Mr. Hees: No, Mr. Speaker.

INQUIRY FOR RETURN

EAST SAINT JOHN THERMAL PLANT, N.B.

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to raise a question of privilege, and this also has to do with the production of papers. On April 15 in my absence the house agreed to motion No. 25 for the production of documents and correspondence in connection with the Saint John thermal plant. On May 18, when I asked the Minister of Northern Affairs when he might expect the tabling of the correspondence and documents as agreed on April 15, having to do with the Saint John thermal plant, the minister answered as reported on page 3743 of *Hansard*:

> As I recall the motion accepted on April 15, it was on the understanding that if an agreement was signed with the province.

The minister ended by saying that he was not able to table the documents. Mr. Speaker, the minister has no right to take it upon himself to refuse to table documents whose production has been approved by the house.

Mr. Speaker: The minister has heard the matter raised; that there was an order for the production of documents which has not been complied with. Has he any statement to make?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Yes, Mr. Speaker. As I recall the events of that day there were four motions on the order paper—I have forgotten the exact number—and one

of them was a motion by the hon. member for Assiniboia who got up and suggested, as I recall the debate, that in order to get these items off the order paper I should accept them and then, after the agreements had been signed, table the documents. I accepted the suggestion and then asked if we could revert to the three previous motions which had been allowed to stand and suggested that they could be passed under the same conditions. You, Mr. Speaker, asked whether it was acceptable that those three motions should pass under those circumstances, and they went through. That is what happened, according to my recollection.

Mr. Robichaud: I am not speaking of what I recall. I am speaking on the basis of the records of the house as reported on page 2705 of *Hansard*. Motion No. 25 has been agreed to without any conditions whatever, and for this reason I feel the house has the right to have these documents produced.

Mr. Speaker: The suggestion is that the motion has not yet been complied with. Is the minister prepared to comply with the motion?

Mr. Hamilton (Qu'Appelle): I am prepared to comply with the motion the minute an agreement is signed, but when agreements are under discussion between two governments it is not proper to table the documents.

Mr. Robichaud: The records of the house do not say anything about the signing of agreements. This is a motion to produce certain documents—a motion which was agreed to by the house—and a month later the minister says he is not able to table the documents.

Mr. Speaker: The hon. member has stated his point. It is clear from the record that the motion was made. Motions are to be complied with, of course. If not, I conceive that it raises a matter of privilege for the house to deal with.

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

The house resumed from Friday, May 22, consideration of the motion of Mr. Churchill for the second reading of Bill No. C-49 to provide for the establishment of a national energy board.

Mr. Augustin Brassard (Lapointe): When the debate was adjourned last Friday I said that the Prime Minister had moved back from the high gear he was using in February, 1957 when he advocated setting up this energy board. He had moved back into second gear, if not indeed into low gear. Here is what he said in February and March of 1958. I read from a report which appeared in the Montreal *Star* of March 15:

> Prime Minister Diefenbaker also told a meeting of some 2,400 here last night that he hopes that the Borden commission on energy resources will approve the export of natural gas to the United States. He said the government would act immediately after the commission brought down its recommendations in an interim report.

I want to stress the word "immediately". Mr. Speaker, the Borden commission presented its interim report last October, and despite that statement by the Prime Minister that his government would act immediately after the report was brought down, more than six months elapsed before the necessary resolution preceding this bill was introduced on April 23, and that is framed in such general terms as to give no hint whatever of the actual content of this bill.

For 26 days the resolution remained dormant before it was discussed. The debate which took place on it was brief. The bill was distributed to hon. members on Tuesday evening, but to the general public only on the following day. And here we are, just a few days later, expected to be thoroughly familar with a 28 page bill containing 101 sections, and to be able to debate its contents. I must say that there seems to be no proper proportions in the various periods of time which have elapsed. It took the government 3½ months to decide to appoint a royal commission, 12 months for the government to introduce the legislation and nearly one month more before the bill received first reading; 22½ months in all, Mr. Speaker, and after less than a week we are expected to debate it. There has been both unseemly delay and unseemly haste; but I must not fail to point out that for all those months the public and the petroleum industry have waited for this bill and they have been allowed two days, Wednesday and Thursday, in which to examine its 101 provisions and to consider its implications, but obviously no time has been given in which to make representations.

As an example of ineptitude, the government's handling of this whole matter is classic. It follows the same general pattern so familiar under this government: delay followed by delay and then a sudden, ill-considered burst of speed to make up for the lost time.

The bill itself does not explain why so much time has been consumed in its preparation. It breaks little new ground, but it does draw extensively, if I may use the minister's own words, upon legislation introduced by successive Liberal administrations. Because so much of the bill comes almost textually from the Pipe Lines Act and the

Exportation of Power and Fluids and Importation of Gas Act, I can only infer that the real problem which has faced the government was to determine how many of the recommendations of the Borden commission could be left out of the bill. It is a fact, Mr. Speaker, that only a few of those recommendations have been followed, and those that have been followed were not, I feel sure, considered by the commission to be the most important.

The bill has as its first purpose the establishment of a board of five members, and sets forth in considerable detail the duties to be carried out by the board in the administration of the act. Before coming to its duties, which up to the present have been carried out either by the Minister of Trade and Commerce (Mr. Churchill) or by the board of transport commissioners, in addition to the other numerous duties which evolve upon it under the Railway Act, I want to point out that the volume of applications which the board will have to deal with is very small indeed. I cannot, therefore, see the need of five members when three could perform the task equally well. I ask myself, too, whether it is possible for the government to find more than three highly competent people to carry out the duties which are to be entrusted to the board.

In addition to the administrative duties relating to international power lines and to oil and gas pipe lines, the board is to have the duty of studying all matters relating to energy and of reporting to the minister. I shall not go into the terms of the clauses of the bill which require the board to undertake studies and to make recommendations. All I shall do is merely point out that the government seems to be in the process of setting up a board which is going to duplicate a great deal of the work already being done by other bodies. It is sufficient, I think, for me to draw attention merely to the statute setting up the atomic energy board to give one instance of overlapping; to point to the statute creating the dominion coal board to indicate another area where overlapping will take place. There is no doubt that the water resources branch of the Department of Northern Affairs and National Resources undertakes studies which clearly fall within the scope of the duties it is proposed to assign to the energy board. In setting up this board there was an excellent opportunity for the government to integrate all of the activities of government agencies related to energy, but seemingly the government has neglected this opportunity of integration.

[Mr. Brassard (Lapointe).]

The bill does introduce a new principle, recommended by the Borden commission, that no pipe line and no international power line shall be built until the board has certified as to the public convenience and necessity of the project. This, of course, is the legal way of saying that the board must consider the factor of competition and the possible injury which a proposed line might do to an existing line. After all that the Conservative party has said about encouraging competition, the introduction of legislation making "public convenience and necessity" a factor is to say the least an interesting development.

But this principle is to go hand in hand with another principle, namely control by the government; for it is clear from the bill that no new pipe line for the transmission of hydrocarbons may be built, even if its public convenience and necessity are fully established to the satisfaction of the board, unless the government gives its approval. This is an entirely new requirement, which seems to be in strange contradiction with the lofty statements made by the Prime Minister in Hull on May 7, 1957 when, according to the Ottawa *Citizen* of May 8, he said:

> We will put a stop to the government going into business and gradually exercising control over the economy.

The bill also introduces another surprising principle. I say "surprising" because it is in direct contradiction of what was said in the house by the present Minister of Public Works (Mr. Green). If we look at page 1528 of *Hansard* of February 25, we can read the following words uttered by the present Minister of Public Works when he was sitting on this side of the house in 1955:

> I do not suppose it would be possible to have a power of revocation much wider than the one contained in the present act. Then there is the power to limit exportation to the surplus after Canadian needs have been met, and also to regulate the price on export so that price will not be lower than the price charged to Canadian consumers.

This refers to the present requirement of the regulations adopted pursuant to the Exportation of Power and Fluids and Importation of Gas Act. Regulation 9 requires that the price for power or gas exported by a licensee shall not be lower than the price at which power or gas, respectively, is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada.

The Montreal *Star* of March 15, 1958, in reporting a meeting at Calgary on the previous day, said:

> Mr. Diefenbaker added, however, that his government was determined to see that gas prices charged in Canada were not used to subsidize gas sales at cheaper prices to the United States.

I may not, on second reading, quote the relevant provision of the bill, but I do point out that the act under which the present regulations were adopted is to be repealed and that the bill does no more than to require the price for export to be just and reasonable. It does not say that gas prices charged in Canada are not to be used to subsidize gas sales at cheaper prices to the United States, despite all the determination which the Prime Minister expressed when he addressed a meeting in Calgary.

The bill contains yet another principle on which I wish to comment. It is that the government proposes to arrogate to itself the power, without further reference to parliament, to control through the board the importation of oil. As to this vitally important matter, as to the reasons for asking for such far-reaching authority, such exorbitant power for the executive, all the minister could say last Monday was:

> However, a section of the bill will deal with this important matter and if approved by parliament will give authority to the governor in council to extend the application of the relevant portion of the bill to oil.

These words may be found at page 3768 of *Hansard* of May 18. Not one word of argument, not one single reason was invoked by the minister in support of the preposterous demand for more power for the executive. What has he said on Friday which adds to the empty words he used on Monday last?

I shall close by drawing attention to the fact that repeatedly in the bill the government is asking parliament to permit it by order in council to modify the requirements of the bill, to exempt some from its application, and to adopt regulations without their nature and scope being specified.

Mr. Speaker, we have waited nearly two years for this bill. We had been led to expect some bold steps forward, but we find on reading the bill that, as the minister has said, it draws extensively upon the experience of the past. We find that the steps forward are timid and unpromising. But because the bill draws so heavily on Liberal legislation, there is a great deal in the bill to which we do not object. It fails to do much with regard to the integration of the existing agencies of the government that are concerned with energy in some form or another but I hope that when we consider the bill clause by clause we shall persuade the government that many improvements in the bill ought to be made.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, in rising to speak on this bill which in essence sets up the machinery to organize and regulate the use and export of our energy resources in Canada and also establishes a national energy board I believe I can safely say it is one of the most important pieces of legislation particularly for western Canada that has been considered by parliament for many years. It is just as important or perhaps even more important that the farm stabilization bill which considered for the first time the element of cost of production when setting floor prices.

For many years prior to the setting up of the Borden commission and since that date the people of the province of Alberta have been waiting and watching with anxiety for the implementation of a sound federal policy in reference to our national resources, natural gas and petroleum. I commend this legislation to the house as giving us that sound policy.

In particular the people of Alberta have been watching with anxiety to see what medium would be set up to consider, approve and reject applications for the building of transmission pipe lines for the transmission of gas and for the purpose of the export of natural gas, a top economic energy source produced in western Canada today which has been explored and discovered in large quantities and which exploration and discovery, I suggest, is still in its infancy.

For years in the province of Alberta the provincial Liberal party opposed the export of gas not only from Alberta to the United States but also to other parts of Canada, on two grounds. In the first place they felt there was an inadequate supply for the forseeable future for Alberta and, secondly, that the export of natural gas to other parts of Canada and elsewhere would increase the price of natural gas to the consumer in Alberta. These objections were based on fear and lack of knowledge rather than on vision and logic.

We have only to examine the Canada Year Book of 1957-58 and refer to page 510 to determine the tremendous development that has taken place. I should like to place the following on the record:

> The rapid development of Canada's petroleum and natural gas resources, initiated by the Leduc oil field discovery of 1947, continues unabated. At the end of 1956 proved reserves of crude oil and natural gas liquids totalled 3,129,304,000 barrels compared with 72 million barrels at the end of 1946 and during the intervening ten-year period, production amounted to 657,605,839 barrels. In 1956, the new oil found was more than three times the actual production which, at 170,569,200 barrels was more than 22 times the 1946 output. Natural gas reserves in 1956 were in excess of 23 trillion cubic feet compared with 4.7 trillion in 1950. Crude oil has, since 1953, maintained its lead in annual production value for all mineral produced in Canada and natural gas is entering the period of rapid growth.

May I suggest that what is set out in the Canada Year Book has been corroborated by

the Borden commission in the findings of that body based on ample evidence carefully examined. We now have a known and proven reserve of 23 trillion cubic feet of natural gas in Alberta and an unproven reserve estimated in the western Canada sedimentary basin of between 300 and 400 trillion cubic feet. I wish now to place on the record a statement from the report of the Borden commission:

> Although the findings of the oil and gas conservation board indicate that Alberta had, as at March 31, 1958, only 4.1 trillion cubic feet of natural gas, which could be declared surplus to future requirements of the province, existing permits and immediately contractable requirements of Trans-Canada Pipe Lines Limited for Canadian market, the board estimated future discoveries to the year 1987 to be 51 trillion cubic feet. It concluded that future Canadian requirements, other than those mentioned, would be adequately protected by these future expected discoveries.

May I suggest that a very good analogy which emphasizes the weakness of the argument to keep the natural gas in Alberta for Albertans is the same type of argument that was used in the 20's in reference to the coal reserves of Alberta. This argument was used by speakers both inside this house and outside of it approximately 20 or 30 years ago. Although it was said then that Alberta had approximately 65 per cent to 75 per cent of the coal reserves of Canada, there were those who were shortsighted enough to argue that we must be careful about exporting coal to ensure that the reserves in Alberta did not become depleted; they might not be sufficient for the foreseeable needs of the people of that province and of Canada.

Today we find that a new form of energy, natural gas, has replaced coal. These 30 years have gone by, and what has happened? We were so cautious that we went to bed with our coal. Some people say coal may have a future in 20 or 30 years, but that is little comfort today to the people in Alberta who have gone bankrupt in the coal industry or to those miners who are now unemployed. May I suggest that the time was long overdue for the appointment of this royal commission. The last speaker talked about delay. I say that there was delay on the part of the former government because they should have set up this commission at an earlier date and introduced the legislation that is now before us.

This bold and aggressive step taken by this government to set up the energy board, with the powers outlined in this bill, should give the people in Alberta and the rest of the prairie provinces, assurance that we shall not go to bed with the natural gas in Alberta and elsewhere as we did with coal. A sound federal policy setting up the energy board will stimulate exploration and hence further discovery of natural gas well beyond the imagination of those experts who made these estimates. Often estimates are only guesswork. The production of natural gas will produce untold wealth and create a new and far-reaching prosperity for western Canada, and hence Canada generally. One has only to look back on the pages of history to find that the early explorers who first set eyes on the prairie plains described them as a windswept desert and a non-productive plain. What does the record show? Over the years we have seen the prairies produce in one year from 400 million to 600 million bushels of wheat and millions of head of cattle.

What we need today is men of vision and foresight in connection with this particular form of energy, such as we had in connection with the development of the prairies for agricultural purposes. Let us not be planners filled with fear and caution with reference to the development of natural gas and with reference to the export of natural gas.

The energy board that is set up by this legislation can and should be in a position to decide expeditiously—which is always important in industry—the quantity of the surplus that can be exported in order to make use of the developed resources and turn this natural gas into wealth that can be used for further exploration and discovery. If the early pioneers had been forbidden to produce grain in such quantities on the prairies since 1900 because of the fear of wearing out the most valuable resource of all in western Canada, the topsoil, what development would have taken place in the west? The important part of this legislation is that one body, the energy board, is empowered to give permission to build transmission pipe lines and to license the export of gas. Both of these decisions are a necessary part of the marketing of the commodity.

I presume, from a reading of the bill itself, that this board will be set up similar to a court, and will examine evidence which may suggest that another pipe line should be built or that some amount of gas should be exported. Then, after this examination of the evidence, the board will exercise its discretion, subject of course to the approval of the governor in council. These decisions are a necessary part of the marketing of the commodity. This is a superior method to having two important steps controlled by two independent authorities, the board of transport commissioners and the Minister of Trade and Commerce (Mr. Churchill).

In brief, I commend this legislation to hon. members because the authority to permit the building of a pipe line and the obtaining of

an export licence are under the jurisdiction of one body, the energy board. Under clause 27 of the bill in question—I believe I am right in saying that on second reading I am discussing the principle of the bill and I should not read the wording of the clauses of the bill—a certificate of public convenience may be granted, while under clauses 82 and 83 a licence to export gas may likewise be granted. Both of these decisions can no doubt be made at the same time and based on the same evidence. As the Minister of Trade and Commerce stated in his remarks when introducing this legislation, "This method will simplify the procedure". May I quote from his remarks when introducing this legislation? He said:

> At the same time, since they must compete at the point of origin for supplies of gas and compete at the point of sale with other fuels and energy sources, there is a substantial element of risk for gas transmission companies. For this reason they must not be prevented by regulatory action from earning a return sufficient to attract capital, nor must management be deprived of the normal incentive to improve efficiency.

In these words, we see the element of flexibility in the bill. Then, the minister further stated, and I quote:

> Neither in the case of oil pipe lines nor in the case of gas pipe lines will the public gain anything if regulation is so restrictive as to put the pipe lines out of business, or discourage their normal development, or impede the building of new pipe lines to serve new or expanding markets, or restrict the essential work of exploration and discovery of further reserves of oil and gas. Our objective, therefore, is to find the means and level of regulation that will adequately protect the public interest, and particularly the interest of the consumer, while maintaining healthy conditions for the pipe line industry, the oil and gas producing industries and the industries distributing oil products and gas for consumption.

This flexibility is necessary to maintain the interest, first of the industry itself so that it will continue to widen the horizon of discovery to ensure that new quantities of gas can and will be discovered. Millions of dollars have already been spent by the industry in question in exploring and discovering the reserves that we now have, and it was because of the risk that was taken and the faith that those in the industry had, that the Borden commission was able to report that there was, in fact, a surplus over and above the foreseeable future needs of Canada. As I said a while ago, 30 years ago there were those who spoke gloomily about the reserves of coal in Alberta. May I say, Mr. Speaker, that there is evidence that we went to bed with our coal, so let us hope this new legislation and this new board will make certain that we will not go to bed with the natural gas in Alberta.

We hear a lot from the hon. member for Assiniboia (Mr. Argue) about full employment and economic prosperity. If the government had seen fit to implement the regulations suggested by the hon. member which would have strangled the industry would the men in the petroleum and natural gas industry be willing to take the risk? Would they have faith in the future of the industry itself? I remember the same type of speech was made in 1945 in Saskatchewan by Premier Douglas and the members of his government. What took place? The drilling rigs that were situated in Saskatchewan pulled out and went into the province of Alberta. This is probably one of the main reasons that we have the development in Alberta which we have today because this was at the time of the Leduc discovery.

Sometimes when one sits in his place in the House of Commons and listens to the rantings of the hon. member for Assiniboia one is reminded of those early speeches that were made by the men who promoted the Russian revolution, which finally destroyed not only economic freedom but political freedom as well. It was the same kind of talk, I suggest, that drove the industry in question out of the province of Saskatchewan. May I suggest also that that industry returned to the province of Saskatchewan only when members of that government had finally realized that there was something to the system after all, and they themselves saw that they could enrich their own pockets; and so there must have been a place in industry for others.

In reference to the stand which the Liberal party has taken in the province of Alberta, I should like to read from an editorial of December 11, 1957 in the Calgary *Albertan*, in which is discussed the Liberal stand in reference to the export of gas at that time. It reads in part as follows:

> Last weekend the provincial Liberal party had a meeting of sorts in Edmonton. Naturally it had to say something about gas. But a more meaningless and cowardly statement it could not have made. The party is still obviously confused, still hopelessly ignorant of the industry and issues.
>
> It called for a "maximum availability of natural gas for domestic and industrial users in the province, having regard to economics involved". Nobody disagrees. Nobody at all. But does the provincial Liberal party realize that the maximum local availability can only be obtained as the result of a vast and thriving export industry.
>
> It called for a provincial gas policy which would "encourage the establishment of new industries within the province".
>
> There again, evidence is conclusive that the maximum local industrialization will come through a policy of maximum export. If the Liberal party agrees, why it is beating around the bush?
>
> Finally, it says "any policy of gas export from Albera shall first take into consideration the present and future interests of the province, and especially the matter of protecting the consumers of Alberta in the matter of costs".

There again there should be no doubt or hesitation. With export,—

That is to the rest of Canada.

—the price is likely to go up. Without export it is likely to go up very much higher. And besides the benefits accruing to the people from a healthy gas export industry will far more than offset any increase in price.

So, is the provincial Liberal party in favour of gas exports or is it not? If it is, why doesn't it say so? If it has the best interests of the province at heart, why doesn't it add its voice to the protests of the government?

Speaking personally, Mr. Speaker, may I say that it seems to me that natural gas is a commodity which is different from beef or wheat. It seems to me that there is a weakness in the argument, which is to keep gas in Alberta or in any other province and that it is just as weak as that which says "keep beef in the foothills of Alberta because the price will be cheaper". But where will be the prosperity of the rest of the province and of the rest of the country? The same argument would apply with regard to wheat. Hence, when I hear Liberals stand in their places and criticize this government about delay, I would remind them of what has taken place in the province of Alberta. The Borden commission should have been set up by the previous government and the energy board should have been set up by the previous government so that we could have got things going, so that there would be prosperity in the west such as we have never seen before.

Mr. M. W. Martin (Timmins): Mr. Speaker, it is always a pleasure to listen to the remarks of the hon. member for Bow River (Mr. Woolliams) inasmuch as they are so reassuring. Every time we listen to him we get a little bit more evidence of the rightness of the cause of the members of the C.C.F.

In order to deal with this bill that is before us today, Mr. Speaker, I think it would be appropriate to do a little review as to just what are the reasons why we have it before us. Bills do not come before the house just for the sake of giving us something to do. Usually there is a good reason and sometimes there is a long neglected reason before we get a bill presented to the house for its approval. I think we all realize that this bill is based, at least to a certain extent, on the report of the royal commission which was appointed on October 15, 1957 and which of course brought in the report of October 1958.

If we go back a little further I think we will realize that the royal commission was set up as a result of the Trans-Canada pipe line debate which almost rocked this house on its very foundations. In fact, I think we could pin it down even closer than that if we refer to the remarks of the former hon. member for Rosetown-Biggar when he spoke in this house during the 1957-58 session. At that time he referred to the remarks made by the former leader of the Conservative party. In connection with this particular bill which is before us now I think it might be an appropriate time to put those words on record again. These are his words as found at page 4673 of *Hansard* of June 4, 1956:

—enlarge the powers of the crown corporation so that the entire pipe line may be constructed immediately under public ownership.

Mr. Speaker, all this has led up to the report of the royal commission of last year. But what has happened to the important recommendations contained in that report? In this bill which is before us today what is there that enables this board to deal with the famous Texas buccaneers, to use the words of our present Prime Minister (Mr. Diefenbaker)? What indeed is contained in this bill to deal with the Ontario buccaneers who had improved even on the Texas buccaneers, and go right up to cabinet rank in their government? Where are the safeguards that are going to give protection to the people of this country in the future where they did not have protection in the past? We find some of these recommendations in the report of the commission but we do not find any in this bill. For a moment I should like to give one or two examples. If we turn to page XII of the royal commission report, recommendation 21, paragraph (b), we find these words:

(ii) The financial structure, ownership, financing, engineering and construction plans of any applicant and the opportunity for the people of Canada to participate in the financing, engineering and construction of the project.

I think those are significant words. I should like to draw particular attention to the words "and the opportunity for the people of Canada to participate in the financing". I should now like to turn to the bill that is before us in order to see how this particular phase appears in that bill. In clause 44, paragraph (d) we find these words:

(d) the financial responsibility and financial structure of the applicant, the methods of financing the line and the extent to which Canadians will have an opportunity of participating in the financing, engineering and construction of the line;

There is quite a difference in the phraseology or the wording of those two otherwise approximately similar sections. I do not know, of course, what the purpose of the commission was when they worded this particular recommendation as they did. However, I would go this far. I would say that

there is a reasonable doubt that they possibly came as close as the people sitting on this commission could come, when you realize their responsibilities, their duties and their position, to recommending that the trans-Canada pipe line and other similar projects should be public utilities in this country. I cannot see any reason why this particular clause should be worded as it is. There is certainly no hint given in the words of the clause of the bill. There is no room for doubt there; any doubt in regard to the recommendations of the royal commission has been very carefully left out.

Now I would like to come to another point. If we look at the report, on page IX we find recommendation 12, which has been mentioned before during this debate. It reads:

> That the prices, tolls, rates or tariffs of a company owning or operating an oil or gas pipe line, as regulated by the board of transport commissioners for Canada, should be just and reasonable, non-discriminatory and calculated to yield a fair rate of return on the shareholders' equity, after making due allowance for reasonable and proper operating expenses, depreciation, interest, income and other taxes.

We find a section in the act which deals with the same subject, clause 52, entitled "Tolls to be just and reasonable". That clause reads as follows:

> All tolls shall be just and reasonable, and shall always, under substantially similar circumstances and conditions with respect to all traffic of the same description carried over the same route, be charged equally to all persons at the same rate.

Once again, Mr. Speaker, we find that the very important and pertinent words "on the shareholders' equity" have been very carefully left out of this bill. I think this is very significant, Mr. Speaker. When we think back to the famous or infamous debate on the Trans-Canada pipe line and think of the ringing words of the present Prime Minister (Mr. Diefenbaker) spoken in this very house about these Texas buccaneers, and so on and so forth, we must remember that at this time there was supposition on his part. We had not experienced their actual operations in this country; we had not seen just what these people would do. That no longer is so. We have had many opportunities to view just what these buccaneers have done, both the foreign and the domestic buccaneers.

I think possibly the actions we have seen over the past two or three years may have greatly influenced those recommendations which were brought down by this royal commission. But what has happened? In spite of the fact that the royal commission made the recommendations, this present government is still unwilling or unable to act in the interests of the Canadian people. Once more if we look back at the bill, on page 18 we find clause 62, which deals with the general powers of the board. I am not going to read all of these different subclauses to clause 62, but it does raise another matter of which we have had ample experience in this country, and that is the question of the abuse that can be made of the law. As I understand it, this clause has been transferred almost word for word, if not word for word, from other legislation which was previously on the books of this country.

It is true that according to the law some of the practices which have been carried on by these various pipe line companies were actually outside the law. But there was no provision in the legislation to uphold the law, and consequently it was left to each poor individual little farmer, or whoever was involved, to hire expensive legal aid and to go through very expensive court action in order to uphold the law. I do not want to list at great length some of the practices to which I am referring. I would just like to refer hon. members to speeches made by the hon. member for Timiskaming (Mr. Peters) and myself, found on pages 1183 and 1185 of *Hansard* for June 16, 1958. Hon. members will find many of them listed there, and they are some of the actions with which we are very familiar because they happened as the pipe line was going through my constituency. The only ones I would like to add today are ones which have been brought to my attention since the completion of that line.

As one reads the clause one finds that these companies are responsible for any damage done. They are responsible to leave the ground as they find it, and all that sort of thing. Unfortunately that is not the case. I could take hon. members to many places and many farms throughout my riding and throughout the riding of Timiskaming where great damage was done. Fences were not put back up again, fields were not graded. In one particular case a farmer's wood lot was expropriated and they cut a strip 200 feet wide, changed their minds and moved to another place where they cut another 200-foot strip through the farmer's wood lot, changed their minds again and went back to the first lot and left his property in that condition, and when he asked about damages they said he could go ahead and sue.

We have seen cases very recently of how much it costs to uphold the law of this country. I think an excellent example is the Roncarelli case in the province of Quebec where it cost, I think, something in the neighbourhood of $35,000 to uphold the law. I think the government has a duty to the people of this country to protect the small farmer and

other people who are involved who cannot afford costly law suits in order to uphold the law of the country.

Mr. Speaker, in the limited experience we have had I think it has been well demonstrated over the years that the best defence that the Canadian people can have in matters of this kind is that of public ownership of these utilities. At least when we have public ownership it is under the responsibility of the government, and the government is responsible to the people. Certainly these companies are not responsible to anyone but themselves. As has been demonstrated in many cases, they are not even responsible to the law unless one can afford to uphold the law. It is also quite apparent from this bill that the government has no intention of setting up anything, except what might be described as a Punch and Judy show as far as this board is concerned. I am sure the board will be out front dancing while the government is behind pulling the strings, because from what I can see of this bill that is all the board will be entrusted with.

If we look at the report of the royal commission, recommendation No. 23 on page XIII reads as follows:

> That the enabling legislation contain provisions to ensure the independence of the members of the board.

When we pick up this bill we find clause after clause after clause is always subject to the approval of the governor in council. How can this board have any independence if every move it makes is subject to the approval of the governor in council? How can this board take any action against these pirates, either foreign or domestic, if it has to turn to the government every time for approval? Who knows, by this time these pirates may be just as good friends of this government as they were of the previous government. I maintain that the bill to set up this board is not doing the job which the people of this country expected. I maintain it is not doing the job that it should do. In fact, it would appear to me that this government is hiding behind this sham board which is being set up to take any blame that might be levelled at its policy, though, in reality, the board is obliged to do the government's bidding.

With this in mind, I move, seconded by the hon. member for Burnaby-Coquitlam (Mr. Regier):

> That this bill be not read a second time until further consideration has been given to the public ownership of interprovincial gas and oil pipe lines.

Mr. Speaker: If any hon. member wishes to say anything about this proposed amendment he may do so. Otherwise, I will reserve the question for the time being and give consideration to it as the debate continues.

[Mr. Martin (Timmins).]

Mr. M. J. A. Lambert (Edmonton West): I rise with a great deal of pleasure to speak on this energy bill because, like many hon. members in this house, I feel that the principle of the establishment of a national energy board is one which should have been adopted long ago.

I felt some concern listening to the hon. member for Villeneuve (Mr. Dumas) the other day when he indicated that the national Liberal convention of 1958 had advocated the setting up of a national energy board. I think that at that time—and today, too—we would accuse him and his colleagues of "me tooism", because up to that date they had not indicated any intention of considering the establishment of a national energy board or of a national energy plan.

I wish to confine my remarks today to the oil and gas industry, as this represents a most urgent question. It is true that coal is a form of energy which presents a serious problem, but I suggest that this is a matter of somewhat longer range. We in Alberta have great quantities of coal, and regardless of the remarks which were made by the hon. member for Gloucester (Mr. Robichaud) the other day, coal is certainly going to be studied by the Borden commission. Surely one cannot expect the commission to look into every facet of energy within its terms of reference before writing a report; in other words, surely he does not expect we should have to wait for the whole study to be completed before we could consider those immediate aspects which are of particular importance to us today.

The oil and gas industry is a very young and virile industry. It made its debut on a commercial basis in 1920, but one could go back a good deal earlier in history as far as Ontario is concerned, though production was on no very great scale. Our oil and gas industry in this country really dates from February, 1947 with the discovery of Leduc No. 1. Today it has advanced to its present position, I would suggest, under the stimulus of several factors; first, a greatly expanding domestic and foreign market; second, the Middle East crisis of 1955-56, which created a scarcity of petroleum products on the North American continent and, third, the methods of development by reason of the very nature of oil and gas, and also because of the land policy adopted in this country which encourages development. There have been many criticisms of this policy.

Let us look at the progress the oil and gas industry has made. First of all, it has climbed in the short space of 12 years into the No. 1 spot among Canada's mineral producing industries, in terms of capital investment, employment created and value of

production. Second, oil refining capacity in Canada has been trebled to a current 800,000 barrels daily, an expansion which has kept pace with the near tripling in 12 years of Canada's petroleum consumption. Third, another indication of growth is that oil productive capacity, only 20,000 barrels daily 12 years ago, has increased over fifty fold to a current potential exceeding one million barrels a day. Fourth, oil markets climbed from 20,000 barrels daily in early 1947 to over half a million barrels daily in 1957. They slumped to some 460,000 barrels in 1958 due to reduced export demand, but they began 1959 at well above half a million barrels daily, still only about 54 per cent of potential. Canada's production now equals about two-thirds of Canada's consumption, although the nation's productive capacity makes self-sufficiency either in fact or in balance quite feasible.

Proven reserves of crude oil and other liquid petroleums, which were under 100 million barrels at the beginning of 1947, climbed to about 3.6 billion barrels by the end of 1958, despite production of some one billion barrels in the 12-year period. In 1958, for each one barrel produced, more than three barrels of reserves were discovered.

Proved reserves of natural gas, which were about 1.5 trillion cubic feet at beginning of 1947, climbed to about 28.5 trillion cubic feet by the end of 1958 despite production of 1.8 trillion cubic feet in the 12-year period. In 1958, despite record production of about 400 billion cubic feet, almost ten cubic feet of reserves were discovered for each one cubic foot consumed.

A recent summary published by the Alberta government indicates that in the period between 1947 and the end of 1958 there have been drilled in Alberta 9,121 oil wells, 1,335 gas wells and 3,975 dry wells. Remember that last figure: it represents a tremendous loss in investment. Taking into account the adjustments from 1959 to date, recent figures indicate that there are some 8,800 producing wells in Alberta and some 3,850 in Saskatchewan. In Alberta there are some 700 producing gas wells and about 870 capped gas wells. These capped wells represent a tied up investment of close to $200 million from which no one is drawing any benefit. In that period of time, 1947 to 1958, some $2,800 million was spent on exploration and development, and in the last three years money was spent at a rate in excess of $360 million per annum. That is an indication, Mr. Speaker, of the investment that has been made not only by Canadians but by people foreign to this land in our oil and gas industry in the short space of 12 years.

What has that industry meant to Alberta? It has meant the employment of upwards of 150,000 people who in some way or other derive all or part of their livelihood from exploration, development and production and marketing of oil. Second, we have had a multi-million dollar petrochemical industry established in that area. Third, we have a steel industry, a pipe mill and fabricators. We had indications just the other day that one of our eastern Canadian firms plans to establish a new $10 million mill to produce up to 42-inch pipe, in the largest diameter to be produced in this country. Fourth, the revenues to the province of Alberta from the sale of crown reserves and leases, lease rentals and royalties amounted to the sum of $855,490,000 from the first of January 1947, to March 31, 1959. We have seen tremendous years such as 1956 and 1957. Nineteen hundred and fifty-eight saw a decline because of the incursion of imports into the North American market and the so-called voluntary curbs by the United States refineries and some decline of business activity. The first quarter of 1959 has seen a pickup. The rate this year is higher than 1958 but it is still only 75 per cent of the rate of 1956 and 1957.

The industry in Alberta last week produced about 319,000 barrels a day, which is only 40 per cent of the rated capacity. With these figures, I believe I can underline the seriousness of the problem of oil production and marketing. Recently there was a lifting of the compulsory quotas imposed by the United States. What has been the result? First of all there was an increase in the nominations from the Puget sound refineries to about 55,000 barrels a day, as announced this week by the nominations from those refineries to the Alberta gas conservation board. As the Minister of Trade and Commerce (Mr. Churchill) indicated the other day, the situation must be watched carefully. We must always remember that the United States refineries may choose United States domestic oil or Canadian crude oil and, therefore, the fact that those restrictions were lifted does not necessarily mean that an extra barrel of Canadian oil need be sold. However, we see that some is being sold.

Although it has been said that while the removal of restrictions may not mean an immediate increase—and I have indicated that there had been a slight, hopeful one in Canadian production—over the longer term this action will encourage an increase in the movement of Canadian oil into the natural and economic export markets of the United States.

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I would like to extend my congratulations to the government on the energetic steps it took to have the mandatory controls removed. I am sure that the people of Alberta and Saskatchewan—in fact the people of the whole country—will be gratified to know just how much encouragement and attention were given to this problem by their own individual members. However, removal of those quota restrictions in the United States does not increase the market for western crude in eastern Canada. In fact, the reverse may be the result, because it may serve to make competition more acute as the result of a diversion of more fire-sale crude into the eastern Canadian market. Mr. Speaker, eastern Canada must not become a dumping ground for foreign crude at the expense of domestic crude. The situation must be watched very carefully and ultimately drastic measures may be necessary. This is why I would support provisions in the act which permit the imposition of controls on oil imports or exports by proclamation when the situation may demand it.

We have just heard this afternoon, and on previous occasions, criticisms by the Liberal opposition to the effect that this gives wide and sweeping controls; it is an abdication of control by parliament. But, Mr. Speaker, surely those hon. gentlemen do not think that if the situation did boil up in the oil industry, and it could do so very quickly, we should have to wait for the summoning of another session of parliament to amend the act to bring those provisions into effect. It has been argued that it has made the position of the Borden commission impossible. But surely the situation is that the Borden commission will make its recommendations in connection with oil matters. Without binding itself in any specific way, the government has now made an open ruling. It may adopt the recommendations, not only of the Borden commission, but from other sources for dealing with the problem when it arises. I cannot see why there should be this criticism.

I can conceive, for example, of a situation arising. Last March there were price cuts in the pipe line rate of from 5 to 12 cents a barrel, and posted purchase prices for light crude were dropped from 14 to 17 cents a barrel. This meant an over-all price cut of between 19 and 29 cents a barrel in eastern Canada. What it really meant was a reduction of $25 million to the producers in western Canada. But no sooner was that cut introduced than we saw a matching reduction in the price of off-shore crude, so that the net result of the reduction was absorbed by the oil producers of western Canada.

We must also study, and with some concern, the effect of the potential movement of off-shore crude by tanker through the St. Lawrence seaway, which at the moment cannot be assessed.

People, including the premier of Alberta, have tried to lay the blame for the present situation with respect to the marketing of oil at the door of this administration. As pointed out by the Minister of Trade and Commerce the other day, quotas on imports and so forth which might be imposed by the Canadian government could have many serious short range implications; indeed, it could very seriously complicate our foreign trade position. I do not say it necessarily will but there are warning signs. We can see the warning that there are difficulties ahead. Unless the position drastically worsens, it would not appear that quotas are the immediate answer.

A suggestion has been made by certain people, including the premier of Alberta, that the federal government should call together the major companies to allocate to their eastern refineries more western crude. This proposal could be considered but I am just wondering whether the premier of my own province has done anything in this regard. After all, his contacts with the oil company have been constant and repeated over the years and one would assume that he would have some influence with these companies. I wonder what would be his government's constructive contribution to the solution of the oil marketing problem.

May we now return to the field of natural gas. Like all Albertans I look forward to an early decision on the export of this form of energy and I am sure the government is moving toward this goal. I would, however, urge upon the government to not lose sight of the fact that the passage of months before a decision is reached on export could result in the loss of an entire year from the point of view of the industry. I need not point out in detail to the house the implications of delay on employment in the pipe line construction industry and on the oil well supply firms, on our steel mills and our fabricator mills. The oil industry is marking time. It is upon this background of which I am sure the government is aware that we are making progress toward a decision.

On the other hand I find somewhat morally dishonest any statement that there have been unjustifiable and unnecessary delays in considering applications, let us say, of West Coast Transmission and Alberta and Southern Gas. After all, if we look at the record, the Alberta conservation board made its report on the application of these two companies

on March 18 last and the government decision authorizing export was made on April 7 last. No sooner had that decision been made than we heard allegations from certain government sources in the province of Alberta that it was all due to the delay of the federal government that we did not have immediate export of natural gas.

The answer to that criticism, if indeed it can be deemed a criticism, is this. Even if it had the machinery in existence, how could this administration consider a hypothetical question? It must be remembered that the export of natural gas is a two-phase operation. First of all we must consider export in excess of the needs of a province. This must be determined. We have the decisions in the case of the Alberta gas conservation board. Second, we have to consider the needs of Canada as a whole to determine whether there will be export from this country.

I am not going to speak on the application of Trans-Canada Pipe Lines Limited which is now before this administration or on the new application now before the Alberta gas conservation board. It would appear to me, however, that Trans-Canada may now be shifting its feet since its appearance before the Borden commission. It now wants a further 420 billion cubic feet over 22 years so as to export 200 million cubic feet a day through Emerson. It would now appear that if the company is to fulfil its export quota it would have to use some of its Canadian allotment over the next few years.

It is not my intention this afternoon to go into detail in outlining the differences between the principles of the bill and the recommendations of the Borden commission. Other speakers dealt with this at considerable length the other day, particularly the Minister of Trade and Commerce and the hon. member for Calgary South (Mr. Smith).

My own opinion of the speech of the hon. member for Assiniboia (Mr. Argue) is that he has not read the bill or if he has read it he certainly does not understand it. I would have thought that clause 44 was a full answer to his remarks saving those which were of a strictly doctrinaire, partisan nature. The people of Canada have given their opinion as to the value they place on such remarks and the people who espouse them.

I should like to endorse the remarks made by the hon. member for Bow River (Mr. Woolliams) about the change in attitude in Saskatchewan when they first approached the problem of oil and gas. Oh yes, we had all sorts of comments like those put forward by hon. members in the far left corner about controls but the net result was that there was drilling and no activity for years until the Saskatchewan government saw the light and acted just a little more favourably. They have now gone a long way from their original position, but that is not the position hon. members of the C.C.F. take in this house today.

As far as the Liberals are concerned, it would be interesting to see what has been their attitude on gas. In 1951-52 they were unalterably opposed to the export of gas not only from Canada—why, they would not even consider that point—but from the province of Alberta. Then last year during the course of the election campaign I seem to recall that the Leader of the Opposition (Mr. Pearson) at some meetings in Saskatchewan promised to grant a permit to Trans-Canada Pipe Lines Limited for the immediate export of gas; but at the same time his provincial colleagues were introducing a motion in the legislature of Alberta which would have required specific reference to the provincial legislature for the granting of any new export permit or the increase of any existing permit. In other words, they were going to take the powers away from the Alberta gas conservation board and so we had the two of them going by divergent paths. This illustrates that the Liberal attitude on oil and gas has not been consistent over the years.

In so far as the Conservative party in Alberta is concerned it has consistently been in favour of the export of gas under appropriate conditions. As far back as 1952 it advocated the greatest possible participation by Canada in the financing of oil and gas pipe lines. I am glad to observe that clause 44 specifies that this is one of the conditions that the energy board will or may consider—

Mr. Martin (Essex East): May.

Mr. Lambert: Yes, and undoubtedly will.

Mr. Martin (Timmins): It does not say that.

Mr. Lambert: Undoubtedly this will be considered in the issuing of pipe line permits.

In 1952 I remember being among those who fashioned a plan of classified and limited financial participation by Albertans and other Canadian citizens similar in principle to the plan later adopted by the Alberta government in the setting up of the financial structure of the Alberta Gas Trunk Pipe Lines Company.

I feel that in the main this is a good bill but I have one suggestion to make. Bearing in mind the question of appeal in matters of law and jurisdiction I would have preferred to see an acceptance of the principle of the right of appeal with respect to tolls and tariffs; that is, the setting of tolls, the revocation and variation of tolls and traffic.

However, that right does not appear in the bill, but I would commend it to the serious consideration of the government. In the event this suggestion is not acceded to, perhaps one might hope for a favourable review or consideration of the matter in the working out of the bill with respect to this particular phase.

I should like to conclude by indicating what I think has been the reaction of the industry to this bill. In so doing, I should like to cite the words of the president of the Canadian petroleum association who, when asked to comment on this bill on May 23 last, had this to say:

> The actions of government show an apparent desire to expedite the export of natural gas. The Canadian petroleum association has been pleased that some of the more extreme measures that have been suggested in the past do not appear in the bill, but the full effect of some of the regulatory powers contained in the bill will have to be judged by their application. In the interest of accelerating the movement of gas, the Canadian petroleum association does not wish to make any further comment at this time.

May I again congratulate the government upon bringing forward this bill and upon taking action which we hope, before too long, may see some regulated activity in the field of the gas industry. I would commend this bill to the house.

Mr. Martin (Timmins): May I ask the hon. member a question?

Mr. Churchill: On a point of order, Mr. Speaker; does Your Honour intend to rule on the amendment at this stage or do you wish to hear representations upon it?

Mr. Speaker: I thought I would leave it, if the debate goes on, until after the dinner adjournment. If the house is ready for the question, I would rule on the amendment immediately.

Mr. Martin (Timmins): I was wondering if the hon. member would permit a question before he resumed his seat?

Mr. Lambert: Yes, certainly.

Mr. Martin (Timmins): Does the hon. member think it was a change in the policy of the Saskatchewan government or a change in the policy of the companies in Saskatchewan which caused the oil industry to pick up in that province? If, as he has indicated, he believes it was a change in the policy of the government, could he outline any specific change in policy?

Mr. Lambert: It would strike me, if my memory serves me right, that there was a considerable change in the attitude of the Saskatchewan government.

[Mr. Lambert.]

Mr. Martin (Timmins): Could you outline that change, please?

Mr. Lambert: I am sorry but I cannot pinpoint that at the moment. However, that is my definite impression.

Mr. O. J. Godin (Nickel Belt): Mr. Speaker, if I rise to take part in this debate on second reading of Bill No. C-49, which is to establish a new board known as an energy board in our country, it is not because I feel I have the technical knowledge to discuss the objects and principles of the bill. However, I am pleased to state these objects and principles were well put before the house by the hon. member for Villeneuve (Mr. Dumas) last Friday afternoon. However, there are certain principles which I feel, as the representative of Nickel Belt, I should like to discuss because, as many hon. members have said, this bill is of great interest to the people of Canada, and possibly of even greater interest to the people of northern Ontario. It is in this area that these various forms of energy are of extreme importance in the development of industry.

The purpose of this bill is to establish a commission or board which, in the interests of the Canadian people, will be asked to regulate the construction and operation of oil and gas pipe lines, and to make regulations with respect to tolls, the export and import of gas and also the export of hydro. However, it is also of interest to note that the board is to study and review, on behalf of the people of Canada all matters pertaining to forms of energy which come within the jurisdiction of the parliament of Canada. It is in this regard that the proper constitution of this new board becomes of importance.

There are, however, many indications of contradictions between the principles of the bill and the opinions expressed by members of the government. The Minister of Trade and Commerce (Mr. Churchill) will agree that even the statement he made in introducing this bill had to be explained to this house and the people of Canada because it had been misconstrued. Everyone in Canada is familiar with the pipe line debate. This debate takes on an added significance now because we see the people who at that time made such strong protests against the expansion and transportation of the gas industry in Canada now bearing the responsibility for creating a new board which necessarily will regulate the transportation of gas.

Furthermore, I may say that the members of the Conservative party who have, on occasion, obstructed the expansion and transportation of gas in Canada now find their names linked in my province with profit making in the construction of the gas pipe

line. Of course, this bill will introduce into the development of forms of energy certain regulations but, as we all know, as society grows in Canada and elsewhere a certain amount of regulation is required. I agree with this. I am a great believer in the principle *in medio stat virtus*. There is no doubt that if we do have to have regulations, they must necessarily be just and proper under the circumstances. There would be great danger in Canada in either going too far, or having no regulations at all.

In this connection, I should like to place on the record the words of Mr. Askew, in his submission on behalf of the Sun Oil Company to the Borden commission, concerning this problem of infringing upon the liberty of people who try to better the development of industries in which they are interested. Mr. Askew had this to say as reported in the bulletin of the Sun Oil Company. He said:

> The flight from this philosophy has been characterized by a growing effort to place the planning of the economic affairs of men in the hands of government, and increasingly to substitute rule by agencies, bureaux and boards for rule by law. The process continues, despite repeated evidence from history, extending from the days of Confucius to modern times, that rather than contribute to the material well-being of the people, it tends to dull and eventually to snuff out the very inventiveness, ingenuity and enterprise upon which economic progress is based.
>
> It is upon these considerations that we urge a long, hard look at the proposed national energy board and the functions and authorities to be assigned to it. No matter how innocuous may their charter seem, such agencies have been shown by history to yield to irresistible pressures to extend their activities, compound their regulations, and confuse those over whom they have jurisdiction. They tend to become foci for every unrest, and soon are engaged less in protecting the people than in equalizing competitive capabilities. In this process they negate inherent economic advantage and deny its benefit to people.

I realize, of course, that although regulations are necessary, they must follow a proper and just norm and not be subjected to political pressures which in this bill I feel are seen necessarily to crop up. In this bill which brings about in Canada such an important innovation as this new board to regulate energy, the first principle which should apply is that the members of parliament should be given the proper information on which to make that decision for the Canadian people whom they represent. The Prime Minister (Mr. Diefenbaker) before the elections had a great deal to say on this matter of an energy board. I should like to quote for the benefit of the house, his remarks in 1957, namely on February 4, when he was speaking at the annual dinner of the Toronto board of trade. That is nearly two and one-half years ago. The Prime Minister then had this to say:

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> There is a need now for the setting up of a Canadian national energy board, with its membership composed of technical personnel, who might be selected by the president of the national research council of business organizations, of the dominion and provincial governments, to the end that the most effective use of the energy resources of Canada, in the interests of the public welfare, may be assured. We have vast resources of gas and oil and coal and uranium. I believe the time has come to set up such a board, whose duty it would be to advise and to recommend proposals regarding these resources—

Mr. Speaker, this is over two and one-half years ago. I feel there is something which is not readily understood, namely why this government had to wait for those two and one-half years, especially in the light of its conduct in the last few days when, extremely swiftly, it has presented this difficult bill, as mentioned by many hon. members. This bill, consisting of 101 sections and 28 pages, as was stated, is placed before the house for a decision in this abrupt manner although the government has stated this was an emergency matter over two and one-half years ago.

In addition, members of this parliament were not furnished with certain reports and studies which necessarily were made for the preparation of this new law which we are now discussing. On that score, Mr Speaker, I should like to refer to the report of the department of the Minister of Trade and Commerce (Mr. Churchill) as far back as the year 1957. I am reading from the annual report of the Department of Trade and Commerce for 1957, at page 54, where the minister indicated that they had formed what he called the energy studies branch of his department:

> The main functions of the branch are to develop systematic records and analyses relating to energy matters; to prepare studies on current energy problems requiring policy decisions in this and other departments and agencies; and to provide information and assistance to the numerous departments and agencies which are concerned with one or more aspects of energy matters.

Later on at page 55 we read the following:

> It was occupied, during 1957, with studies on such questions as those relating to natural gas pipe line development, export policy for natural gas, policy relating to supervision of transmission rates and sale prices for natural gas, policy on thermal electric power developments, the effect of United States oil import restrictions on the Canadian petroleum industry, and United States proceedings related to the importation of Canadian natural gas.

Later on the same subject of energy we read the following:

> Most of the study papers prepared during the period have necessarily been confidential.

Mr. Speaker, the Minister of Trade and Commerce is possibly the person from whom it is most difficult to obtain information by way of reports placed before the house. Since he has made reference in his own

report to these studies and reports I feel that it would have been necessary that he allow the members of parliament, the representatives of the Canadian people whose interests we are trying to protect in the matter of energy in Canada, to have that knowledge before the study and the passing of this extremely important bill.

We find something further on that score, speaking on this matter of the interests of the public and the contention that the public should be informed. We find something similar which again illustrates the conduct of the Minister of Trade and Commerce as to what is done with reports and studies which should be made available to the representatives of the Canadian people, the members of parliament.

Mr. Churchill: What accusation are you making as to what I have done with regard to reports? Do you mind repeating it?

Mr. Godin: I am saying that the minister in his own report for the year 1957 states that many reports and analyses were made and so on. We have no such reports available. In his report he states that he considers them to be confidential. We see this in the bill, Mr. Speaker, and the minister may take note of this matter and possibly bring about an amendment. Clause 23 reads as follows:

23. Studies and reports of the board made under this part may be made public with the approval of the minister.

There again we see politics entering into the matter of the interests of the Canadian people and their protection. In the very bill which is before us his action shows the attitude of the Minister of Trade and Commerce toward the information which should be known to the representatives of the people here in this house.

The same thing is found in the principle by which the appointments will be made and public knowledge offered. In other words, it is a bill which will permit a sort of closed shop, a tool for the cabinet. In reading the bill we find this. I should like to refer to the principle indicated in clause 85 (2). The Canadian people do not even know whether or not they have a bill dealing with the energy board. In that clause it is stated that the minister may, through the governor in council, declare any class of persons or areas not covered by this bill. It reads as follows:

(2) The governor in council may by regulation exempt any person or class of persons or any product or class of products or any transactions, persons or areas from the operation of all or any of the provisions of this part or the regulations.

Is it not clear to the house that the Canadian people may have a bill or they may not have a bill? If you pass the bill, you possibly give the Canadian people absolutely nothing because it will remain absolutely in the hands of the cabinet and the government and in that way it will become necessarily a political tool.

Again we have further provisions where we elaborate on the principle whereby five men in Canada will compose this board and regulate it. On the other hand, in the very next clause, we give one member of the board absolute power. This is done after creating a most expensive board. I am not sure that I know exactly how many there should be. It may be proper to have five; but this principle enunciated in the very next clause is to the effect that one member of the board can do absolutely anything on behalf of any five members, except possibly a very few things. There are so few that they are enumerated, and they indicate that one member of the board of five can do absolutely everything alone, according to the act, except for a very few exceptions. So once again the principle is indicated in this bill that the Canadian people, after the constitution of a very expensive board, will see themselves regulated by possibly one member of that board.

For those reasons, Mr. Speaker, I think that the bill is lacking in many respects. It does not afford the Canadian people the protection of their interests which the minister himself stated the bill was meant to do. He spoke about necessary speed. We have been faced with a delay of two and a half years, and now there is pressure over possibly two and a half days. The hon. member for Bow River (Mr. Woolliams) indicated that what was required in this matter of energy was aggressiveness and vision, but what do we find? In his own speech he stated that he recognized that in the province of Alberta the progress of the gas and oil industry has been visibly indicated for the last twelve years. That certainly cannot be to the credit of this government.

Mr. Speaker, in all fairness I believe that an energy board is the necessary instrument to protect Canadian affairs, but I do say that this bill in certain respects falls short of giving to the Canadian people the assurance that we mean to give them when we say that we will now have the constitution of a body which will protect their interests.

Mr. Deputy Speaker: With the permission of the house we shall now await the return of Mr. Speaker, who I believe wishes to rule on the amendment proposed by the hon. member for Timmins (Mr. Martin).

Mr. Speaker: The house is ready for the question, I understand?

Mr. Pearson: No, Mr. Speaker; we are ready to hear your ruling on the amendment.

Mr. Speaker: I indicated earlier I would leave it until after the adjournment. However, if everyone is here and content to proceed with the matter now, I shall be glad to rule on it.

Mr. Hamilton (York West): Mr. Speaker, are you going to hear argument on this point?

Mr. Speaker: Yes. I thought that before I heard argument I would indicate that it appeared to me that the amendment was not relevant, and therefore the onus is on those supporting the amendment to prove that it is acceptable. I therefore propose to call on any hon. member who wishes to argue to the contrary.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, on September 2, 1958, as reported on page 4503 of *Hansard*, Your Honour went to considerable length to determine what is and what is not in order in regard to possible amendments to a bill on second reading. If I may read from what you had to say on that occasion, you quoted from May as follows:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move what is known as a "reasoned amendment" . . . A reasoned amendment is placed on the paper in the form of a motion and may fall into one of several categories.

I am only going to repeat No. 1:

> It may be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

Then we have a fairly large number of precedents where we had amendments on second reading of a bill, and occasions where Your Honour allowed amendments. Mr. Speaker, I would like to refer you to July 30, 1958, when the hon. member for Fort William (Mr. Badanai) moved an amendment to the excise tax bill as reported on page 2864 of *Hansard* in the following terms:

> That this bill be not read a second time until further consideration has been given to the repeal or reduction of the excise tax on motor cars.

Then on September 2, 1958—that was the day of your explanation, Mr. Speaker, as you understood these amendments—the member for Ottawa West (Mr. McIlraith) moved, as reported on page 4510 of *Hansard*:

> This house declines to proceed with a bill the fundamental terms of which are repugnant to the spirit and objectives of the treaty obligations of Canada under GATT.

Then there was another motion in 1958 moved by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) to the effect that a bill be not read a second time until further consideration was given to the possibility of making tax free gifts from husbands to wives effective in the province of Quebec to the same extent as in the rest of Canada. The hon. Leader of the Opposition (Mr. Pearson) also moved on September 2, 1958, as reported on page 4476 of *Hansard*:

> That this bill be not now read a second time because of new provisions for arbitrary valuations which transfer the tariff-making authority from parliament to the minister and the cabinet, contrary to the principles of responsible government and the essential right of parliament to tax.

Now, Mr. Speaker, you have ruled a number of these amendments out of order because they dealt as to a particular. However, may I repeat that you did endorse what May had to say in regard to an amendment being declaratory of some principle adverse to, or different from, the principles, policy or provisions of the bill, and may I in that regard call your attention to our amendment:

> That this bill be not read a second time until further consideration has been given to the public ownership of interprovincial gas and oil pipe lines.

We feel that this very definitely is an amendment to the principle contained in the bill now before us.

Mr. Speaker: I wish to thank the hon. member for his concise and very pertinent argument. The amendment is one of that type which is permissible on second reading, that is to say, is declaratory of a principle adverse to the bill, and my reason for not considering it acceptable is that the principle is not relevant to the bill. The doctrine of relevancy applies to amendments which are declaratory of an adverse principle; in other words, the adverse principle must be one which comes within the reasonable limits of what the bill seeks to do itself.

Now this bill sets up a board, whereas the substance of the amendment is to declare for nationalization or public ownership of interprovincial oil and pipe lines which seems to me to go far beyond anything which could reasonably be said to be relevant to the bill as it is now before the house. The purpose of the bill, as the explanatory note says, is to create a board, and the board is for the purpose of regulating the operation of oil and gas pipe lines, fixing tolls and giving advice. There are three or four main functions of the board but, basically, the principle of the bill is to establish a board to regulate the industry, including electricity.

To attempt to declare as a contrary principle that consideration ought to be given to the nationalization of something which might be within the regulatory powers of the board seems to me to be going far beyond

the broad limit and scope of the bill as it stands to be considered by the house, and therefore I consider the amendment not to be within the precedents which the hon. member has stated, for the reason that it goes too far afield from the principle of the bill.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, we heard the hon. member for Edmonton West (Mr. Lambert) read a quotation expressing the sentiments of the Canadian petroleum association in connection with the deliberations on the bill now before us.

The hon. member obviously indicated, when he did that, that he is concerned with the welfare of those who invest in the development of Canadian natural gas and oil enterprises, and with the welfare of those who invest in Canadian gas and oil pipe lines. And he indicates, using the submission of the Canadian petroleum association to bolster his argument, that he is concerned with the investors in these enterprises and in the future welfare of these investors.

This reminds me of the philosophy so often expounded in this House of Commons and so successfully sold for so long to the people of Canada by a recent member of this house, the Right Hon. C. D. Howe, who seemed to contend that as long as our economy was expanding, and as long as those who were investing money were able to provide the stimulus which would provide employment, we had better forget the high price which the Canadian people would eventually have to pay for this continuous and often reckless expansion in certain lines of the Canadian economy.

The C.C.F., as is well known, has always maintained the primary position that the resources of Canada belong to the people as a whole. We agree that investment in Canadian enterprises has to be safeguarded. We are willing to go a little beyond that, and agree that risks must be adequately compensated. If we did not agree to the safeguarding of invested capital and to the compensation of risk capital we realize that the development of our economy would have to operate under a very severe handicap indeed. However, basically we feel that the goods and riches of the world are meant for the mass of the people of the world, and when we look at a bill such as the one before us to set up a national energy board we first of all must ask ourselves: how are the interests of the Canadian people likely to be affected by the implementation of this measure?

We believe that a bill of this nature would be able to do much in the interests of the people as a whole. However, I could not help being impressed by the arguments put forward last week by the hon. member for Vancouver East (Mr. Winch) who expressed the opinion that after looking over the bill a number of times he had come to the conclusion that the proposed energy board was designed to be nothing more nor less than a stooge for the government of Canada. Although the powers of the board might in certain circumstances, under certain governments which may some day be elected, be quite extensive and even beneficial to the welfare of the Canadian people, it is envisaged in the terms of the bill now before us that any action or any attitude of the proposed energy board would be completely dependent upon the whims of the government in office at any particular time.

I believe it might be wise to look for a while at the origins of the bill now before us and at the origins of the Borden commission whose recommendation supplied the initiative to the government with regard to this bill. We had a very lengthy debate in the House of Commons a couple of years ago on the subject of the trans-Canada pipe line, and I believe that the debate at that time was more than any other single factor responsible for the House of Commons now being faced with this national energy board measure.

Mr. Speaker: Would this be a convenient place for the hon. member to call it six o'clock?

Was there a motion to be made?

Mr. Hamilton (York West): I was intending to make a motion at eight o'clock. I do not have it with me.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Regier: Mr. Speaker, when the house rose for the dinner recess I was beginning to outline the origins of the bill now before us and I mentioned at the time that the initial impetus for a bill of this kind was the debate in the house a number of years ago concerning the building of a trans-Canada pipe line for the transmission of natural gas. The opinion of the Liberals and the Social Credit party in the house at that particular time was that this pipe line ought to be built immediately at any price. There were in the house at that time in addition the official opposition, the Progressive Conservatives, and the group of which I am a member, the C.C.F., who had the feeling that the pipe

line ought not to be built at any price; that the pipe line ought to and might be built at a price that the Canadian people would be prepared to pay and in a manner in which the pipe line would operate in the interests of the people of the nation as a whole.

We all remember very well indeed how the member for Eglinton, now the Minister of Finance (Mr. Fleming) at the time felt so keenly about the actions of the government of the day that he had himself expelled for the time being as a member of the house, and the Union Jack was placed over the desk of the hon. member for Eglinton.

Mr. Churchill: On a point of order, Mr. Speaker, I think it is incorrect for the member to say that the hon. member for Eglinton had himself expelled from this house. He should withdraw that statement; it is not true.

Mr. Regier: Mr. Speaker, I will amend that and say that the hon. member was expelled from the house because of his insistence that the interests of the Canadian people were being violated by the actions of the government of the day. I notice that the hon. member for Eglinton is not in his place in the house at the present time. I would recommend to the Minister of Citizenship and Immigration (Mrs. Fairclough), who was so adept several years ago at bringing in an appropriate flag at the time, that she now bring in a skull and cross bones flag and hang it over the desk of the hon. member for Eglinton.

Mr. Lambert: More demagogy.

Mr. Regier: Because the bill assures us that the piracy which at that time was being condemned so vigorously by the hon. member for Eglinton is now being condoned and being aided and abetted by that same member for Eglinton. The skull and cross bones indicating the flag of the pirates would now aptly replace the flag of the patriot of only a few months ago.

We also heard at that time the leader of the official opposition, now the High Commissioner of Canada in the United Kingdom, for whom I may say I have the highest regard. Regardless of any disagreements I may have had with him at the time I always realized that he was at heart one of the most honest members that this house has ever seen. He admitted in the final analysis, after his attempts to get Canadian financing for this trans-Canada natural gas pipe line to replace United States financing, after he realized that Canadian financiers were not available, as he had wished them to be, that at long last public ownership was the only answer. The present leader of the Conservatives, our Prime Minister (Mr. Diefenbaker), fought an election on this issue and he largely won that election in 1957; he at least obtained the right to form a government, even though it was a minority government. Rather than take measures to implement the expectations of the electorate at the time in this regard, he decided in his wisdom to evade the issue for the time being, in that he appointed a royal commission. We at that time, through our leader, M. J. Coldwell, expressed our reservations as to the members of the commission. However, we must admit that the members of the commission, in several major aspects at least, placed national interest above their personal prejudices and feelings, and brought in a number of recommendations. We regret very much that the government of the day has ignored the major recommendations of the Borden commission.

At the time the Borden commission was appointed, and in the election after, my national leader had this to say on March 5 last in the Richmond high school in British Columbia:

> The pipe line scandal of today is on a par with the railway scandals of the past. The promoters of the railways of that time even have been outdone by the promoters of the pipe lines of today. The fortunes made by Mackenzie and Mann as well as others as a result of government assistance to railway construction have their parallel in the fortunes made by Tanner and Coates and McMahon as well as others. The whole sordid story of quick fortunes being made by a few at the expense of the public is being repeated today and old-line party governments whether Liberal or Conservative are doing nothing about it.

Again, on March 6, my national leader, in a C.B.C. radio speech, had this to say:

> You will remember too, how the Conservatives denounced the Trans-Canada Pipe Lines Company, and how vigorously they attacked the Liberal cabinet policy on the pipe line. Oh, what a tragedy is there; for today Liberal and Conservative, alike, vote together to protect the Trans-Canada Pipe Lines Company, that company and that policy which the Conservatives denounced as an iniquitous proposal, an infamous proposal, the greatest betrayal of the Canadian people since confederation, a caricature of national development.
>
> Yet, the present government is doing the same as the Liberals before them and they voted against the C.C.F. motion expressing what the Conservatives had advocated.

My national leader also said on March 11 in the city of Moose Jaw, Saskatchewan:

> Mr. Diefenbaker has failed to right a great wrong, the wrong done to the people of Canada in the trans-Canada pipe line deal. He led the people to believe that he was sincere in his denunciations of what he described as "a nefarious deal". He led the people to believe that under the Conservatives something would be done about it. But now the Conservative government opposes as "socialism", the very policy that they supported while in the opposition, namely, the public ownership of the line.

Mr. McPhillips: Who is your national leader?

Mr. Regier: My national leader is M. J. Coldwell, such a leader as no other political party in Canada has ever seen—

Mr. McPhillips: Where is he now?

Mr. Regier: —and is not likely to see again for a considerable time. The conduct of the Liberal party in this debate is, of course, an utter disgrace. They have nothing to say. They say they are going back to the grass roots. However, we notice no repentance, no change of heart, no change of policy. I have heard three or four of their members take part in the debate and I am unable to decide what their opinion is. I realize that they are very anxious for the conclusion of the debate at an early hour and that their leader is now anxious to participate and wind up the debate on behalf of the Liberals. I realize that the Liberals are embarrassed, that they do not want a debate on this issue. They only want to straddle both sides of the fence hour after hour and when the vote comes no doubt they will find that they are able to support the government and able to support the buccaneers and the racketeers from the state of Texas.

We have not only had a number of racketeers from south of the border but there have also been a couple of Canadian racketeers involved in this matter. In the province of Ontario a number of leading people unfortunately got themselves rather involved. I come from the province of British Columbia and when a cabinet minister does wrong in our province he ends up behind bars eventually even though it may take a number of years. However, when cabinet ministers do wrong in the province of Ontario they again ask the public for an expression of their confidence at the next election. All I can say is that I hope the wintry frost will very soon leave the minds of the voters of the province of Ontario.

An hon. Member: What a hope.

Mr. Regier: When I look at the bill I am reminded of the attitude expressed in this house year in and year out by the former member for Cape Breton South in his appeals for the establishment of a national energy board that would include all forms of energy so that we might develop our resources in the interest of all parts of the dominion. In this regard I am convinced that if a national plebiscite were held now on this one issue, without the varnish, the propaganda, the show, the circus that accompanies our national elections, and the people of Canada were asked, shall public utilities be publicly owned, there would be no doubt as to the outcome.

Mr. Speaker: The hon. member has been coming back from time to time to the question of nationalization of interprovincial oil and gas companies, which was the subject of an amendment that I considered to be out of order. Therefore, I think that issue should not be debated as part of this debate. I have not stopped the hon. member but I hope he will not proceed too far on that line because in my view it is irrelevant.

Mr. Regier: I must say, Mr. Speaker, that even though you have ruled the amendment out of order the house has not made a decision and the arguments I am presenting are not in exactly the same position as if the house had made a decision on this issue. However, I am willing to abide by your ruling.

I should like to point out that the bill falls far short of the recommendations of the royal commission on energy, more commonly known as the Borden commission. I notice that on page 28 there is the following recommendation:

> That the prices, tolls, rates or tariffs of a company owning or operating an oil or gas pipe line, as regulated by the Board of Transport Commissioners for Canada, should be just and reasonable, non-discriminatory and calculated to yield a fair rate of return on the shareholders' equity—

I should like to emphasize the words, "shareholders' equity."

> —after making due allowance for reasonable and proper operating expenses, depreciation, interest, income and other taxes.

I have a few things I should like to say about the recommendation of the Borden commission that there should be a fair return on the shareholders' equity. I notice that the bill has no provision along this line. We are now faced with a bill that would allow the owners of any pipe line company to obtain what may be considered a fair return on the over-all investment. I should like to give one example. The original investment in the Trans Mountain Oil Pipe Line Company was roughly $100 million. The shareholders' equity was $15 million. The remaining $85 million was supplied by the insurance companies of the United States and Canada.

Assuming that this pipe line earns a net return after taxes of $8 million, on the investment of $100 million that would be a net return of 8 per cent. However, in the bill before us the government has ignored the recommendations of the Borden commission and is apparently perfectly willing to allow any pipe line company to declare earnings on the over-all investment. In this case it would be 8 per cent. However, if we consider $8 million net earnings after taxes, and the earnings have been that high, we find that the net earnings would amount to 53⅓ per cent after taxes on the shareholders' equity and,

I might add, after most unusual depreciation allowances that are being permitted at the present time. If the Borden commission recommendations were to be pursued, therefore, and allowed for in the bill now before us, that would help in no small measure to protect the interests of the consumers involved.

Another recommendation of the royal commission on energy is to be found on page 36 of the report. Paragraph No. 18 says:

> An examination of the financial statements of Montreal Pipe Line Company Limited and those of Portland Pipe Line Corporation, shows the combined net income (after payment of income tax) of the companies for the years 1953-57 inclusive represented the following rates of return on the shareholders' equity at the beginning of each of the respective years:

For the year 1953, the percentage of return was 15.66; 1954, the percentage of return was 9.94; 1955, 20.45; 1956, 19.51; 1957, 14.76.

Now these returns, Mr. Speaker, in our opinion, and also in the opinion of the Borden commission are excessive. They are needlessly high, and it is our firm belief that while capital invested and risk capital have to be adequately compensated, there is no need for rates of return running as high as 53 per cent on the basis of shareholders' equity.

We listened with a great deal of interest to the claim of the hon. member for Vancouver East (Mr. Winch) the other day when he said that one of the major problems of the bill was that this new energy board would have only limited authority, and that its authority was going to be subject in all major matters to the whims and wishes of the government of the day. We regret also that the bill does not allow for any provincial representation. We realize that authority in this matter is divided between the national government and our provincial governments. However, in the arrangements that are offered for the establishment of the board, our provincial governments are not going to be given any say in any manner, shape or form. The whole arrangement is for an organization designed to implement and to give effect to the wishes of the government of the day. We feel that this is not necessarily always in the interests of the people of the country.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the hon. member who has just taken his seat may be surprised to learn that I am speaking on this bill without any embarrassment whatever. The fact that I am the fourth member of our party in the house to speak also shows that we are not, as a party, embarrassed in discussing this bill.

Now, Mr. Speaker, this is an important bill dealing with the subject of energy resources which is as important for the development of this country as any subject can be. We are debating this matter today, May 25, 1959, and it is a long time since February 4, 1957 when the Prime Minister (Mr. Diefenbaker) in Toronto—these words have already been put on the record in this debate—said that the need was now for setting up a Canadian national energy board, and that the time had come to establish such a board. Four days after that statement, he said the same thing in the House of Commons.

The Prime Minister had his opportunity when the House of Commons met in October, 1957, and he was the head of the government. There was no mention in the speech from the throne at that time of the establishment of an energy board. Indeed, on October 15, I think it was, three days after the speech from the throne, the Prime Minister announced, not an energy board but a royal commission to look into the matter and to make recommendations. This royal commission, Mr. Speaker, put this whole question into a deep freeze for 19 months, for obvious reasons, and during that time I think I am right in saying that nothing was heard in this parliament about government policies dealing with this vital matter of energy resources, and national development as affected by energy resources. This is in contrast, Mr. Speaker, to what we heard on the subject from so many members of the government in earlier years when they were sitting on this side of the house.

On March 14, 1958, during the election campaign, the Prime Minister did tell the country in Calgary, in words that have also been put on the record, that the government would act immediately after the interim report of the Borden commission. This word "immediately" is now so often used by the government in statements about what it is going to do that the particular coinage has become debased, in fact there were more than six months between the interim report of this commission and the resolution dealing with the energy board which was put on the order paper on April 23 of this year. The resolution was in very general terms, and did not give us much opportunity to speculate on the type of bill that would be based on it.

The bill itself was discussed a month or so, almost a month, after the resolution was first introduced. Then, Mr. Speaker, as you know, within 24 hours of the receipt of the bill or the tabling of the bill, we were to be asked to take decisions with regard to it. That period was later extended by a day or so. It was a period which would not have

given members on this side of the house the opportunity to which they were entitled to make a real study and analysis of the bill and would not have given an opportunity for the expression of views by interests concerned in the country with this important matter.

Of course, Mr. Speaker, we naturally wondered why, after such a long delay, there should have been so much haste. As was stated this afternoon by my friend the hon. member for Lapointe (Mr. Brassard), I think it was, this is another example of inept handling on the part of the government of an extremely important piece of legislation. Here we have had long delay, without any discussion or without any information on the matter, folowed by a sudden, ill-considered burst of speed in order to make up for the loss of time, by the introduction of legislation which was to be decided without any delay. We are becoming familiar with that particular pattern of activity in this house.

I suggest, as other hon. members on this side of the house have already suggested, that that delay was quite unnecessary. Surely it is now clear—as indeed we on this side of the house stated would be the case at that time—that the appointment of the Borden commission was merely an unnecessary delaying tactic, and that it was not necessary for that commission to go into this matter as it is still going into it in order for the government to have made up its mind as to what it wished to do. As a matter of fact, the proof of that contention is that the government is now largely by-passing—as so many hon. members have pointed out—the first report of the commission, while the legislation which is now before us has been introduced before the second report of the commission has even been submitted. The commission, however, has accomplished its purpose in providing an extremely useful delaying tactic for the government at a price, as was pointed out last Friday, of some $300,000 or more.

In his statement last Friday the minister admits that the major part of this bill before us comes almost textually from the Pipe Lines Act and from the Exportation of Power and Fluids and Importation of Gas Act and that most of the other provisions that are not textually from those two acts, including the creation of a national energy board, were recommended in the Gordon Commission report. That report, which was in the hands of the government in 1957 and which included a special study of this question of gas and oil, surely provided the government with sufficient information on which it could have acted if it had desired to do so, especially as the present bill now before us has in effect repudiated the major recommendations of the commission which followed the Gordon report.

This particular bill is an even more drastic repudiation of all the feverish words and emotional arguments put forward by the Prime Minister (Mr. Diefenbaker) and his colleagues, including the Minister of Trade and Commerce (Mr. Churchill), during the pipe line and earlier debates on this general subject of energy. The present bill contains no provision to realize the Prime Minister's vision of Canadian resources development by Canadians. It contains no safeguards, so often clamoured for and even recommended as desirable in the Borden report itself, to ensure the maximum possible Canadian ownership and control of resources development. It contains no provisions to encourage the processing of raw materials in Canada—that was another strong Conservative battle cry when in the opposition—through effective utilization for that purpose of our great sources of energy in this country; and I hope to have a word to say about that matter later. It contains no provisions—and we have heard a great deal about this matter also—for keeping Texas or other buccaneers out of our affairs or limiting the extremely exorbitant profits about which the Prime Minister and the minister used to get so indignant.

In this bill, Mr. Speaker, you will find nothing dealing with these matters. That which is contained in this bill could surely have been brought in, if the government had so desired, in October 1957. Had it been brought in then, time and money would have been saved and many months of uncertainty and confusion about government policy would have been avoided, which uncertainty and confusion, as the hon. member for Calgary South (Mr. Smith) pointed out over a year ago, were bound to have an unsettling effect on the industries and areas most concerned.

As to the bill itself, may I say this. The hon. member for Calgary South, speaking at the resolution stage of the bill on May 18, had this to say as reported at page 3779 of *Hansard*:

> I can appreciate, as can most hon. members, the difficulty of the government in attempting to reconcile the two extreme views which have been expressed in relation to the Bordon royal commission, namely those on the one hand who have stated their belief that the industry should not be in any way restricted by regulation, and those on the other hand who believe that a tight form of legislation is required in the interests of Canadian consumers.

And the hon. member went on to say this:

It is my contention that it is not inconsistent to believe—

Whatever that may mean.

—that there can be introduced into and be passed by parliament a bill which, to a substantial degree, will satisfy both of these two extremes.

In other words, Mr. Speaker, according to the hon. member for Calgary South this is the kind of bill which will satisfy those on the one extreme who do not want any regulation at all and those on the other extreme who want a tight and complete regulation, as he put it. That is a fairly impossible objective for any piece of legislation, namely to satisfy both extremes and I do not think it is met by the bill that we have before us.

So far as the principle of the bill is concerned may I say this. As has already been stated—and I am happy to repeat it—the broad principle of this bill is satisfactory to this party. Of course, it should be satisfactory because in January, 1958 our party put itself on record in favour of a national energy authority. We therefore accept that principle because we stand by our platform. But as has already been pointed out, that does not mean that we support all the provisions of this bill or that we believe that this bill is adequate to implement the principle we support. On the contrary, we feel that this bill —and we shall try to point this out in more detail when we get to the committee stage— contains many sins of omission and commission.

Let me look for a moment at one extremely important function mentioned in the bill, that of research and investigation by the board. The administrative duties of the board which are proposed in this bill are limited by the bill itself to oil, gas and international power lines. But the functions of research and investigation and of report and recommendation are absolutely unlimited. They cover the whole field of energy, as I understand it, without any limitation whatever. Furthermore, clause 22 of the bill does not say that the board "may" study these matters. That particular clause says that the board "shall" study these matters. Hence we ask ourselves why there is this difference in the scope of the two main functions which are allocated by the bill to the board. This question becomes of special importance, because, as has already been pointed out, there are other agencies of government at this time which have research and advisory functions in the energy field which are not touched by this legislation. Obviously there arises the danger of duplication, with its resulting confusions, conflicts and waste. When the minister was discussing the resolution, long before we had the chance of seeing the bill, the minister said—I am paraphrasing what he said—that the major purpose of this bill was to consolidate, to coordinate, to pull together governmental functions in this field. On Monday, May 18, as reported at page 3766 of *Hansard*, the minister said that this legislation was in fulfilment of a long held objective of his party to bring this about, and to support that view he quoted a statement which the present Minister of Public Works (Mr. Green) made on February 25, 1955, at page 1530 of *Hansard* for that year. This is the quotation of the Minister of Public Works put on record with much approval by the present Minister of Trade and Commerce. The former member for Vancouver Quadra said:

We believe there is a great need for an over-all energy policy. Let us get away from dealing with the problem piecemeal with different departments concerned. It is not an efficient way to deal with these important matters.

That is what the Minister of Trade and Commerce quoted the present Minister of Public Works as saying in 1955, and he quoted him with approval. But the minister who introduced the bill did not remain convinced for very long of the validity of the argument of the Minister of Public Works, because on second reading last Friday the Minister of Trade and Commerce told us that all the existing agencies were to be left unchanged. Quoting from his statement last Friday, he said, as reported on page 3930 of *Hansard*:

While the board's advisory functions require that it be free to study any aspect of energy, we do not believe it would be profitable under present circumstances to disrupt the existing agencies involved in these related fields.

We know what these agencies are because they have been put on the record, but perhaps it is worth while repeating them to show how many government agencies are working in this field of research, analysis, examination and reporting on energy matters. There is the dominion coal board; the atomic energy control board; the international joint commission; the water resources branch of the Department of Northern Affairs and National Resources; the interdepartmental committee on energy; and the national research council. The danger of duplication and overlapping, confusion and conflict is obvious.

Now may I say a word about the regulatory functions of the proposed board, which is something we will be discussing in much greater detail when we are in committee. Those functions are limited in the present bill, at least at the moment, to the licensing of construction and operation of international power lines, export of power, construction and operation of interprovincial and international

oil and gas pipe lines, the import and export of gas, and possibly the export and import of oil.

First, then, may I say a word about the regulatory functions which I have mentioned dealing with power. We on this side agree that these are matters which should be controlled by a public authority. There is not much difference of opinion between us on that score except that we are worried—we will have something to say about this in committee—about the suggestion by the minister that exceptional circumstances may justify the licensing of power exports for a period longer than one year. I am not sure whether he used the period of 25 years or not. The Gordon commission report points out that this might be necessary in changed circumstances, that it might be wise for the government to depart from the policy it has followed for many years of licensing from year to year. I am not taking issue with that in principle, but I do suggest that if this is to be done and these licences are to be extended for a longer period than one year, that should be done through parliamentary sanction rather than merely by order in council.

Then there is also a danger of duplication and conflict, and indeed confusion, in this question of control of the export of power. The minister knows perfectly well, of course, that the Canadian section of the international joint commission has at the present time the responsibility of studying and making recommendations regarding power projects in boundary waters and other public projects on international rivers which may be referred to the commission by the two governments of the United States and Canada. But under this proposed bill which is now before us, every project of this kind approved by the international joint commission and involving the construction of international power lines or the export of power will have to be reviewed and approved as well by the national energy board, and surely there is a danger of conflict there. Also under the International River Improvements Act which was passed in 1955 the same possibility of conflict and confusion arises between the licence which is required from the department concerned under that act and the obligation of the new board to review and consent to these matters. I believe that it would have been possible to have avoided these dangers of overlapping and confusion through a better allocation and integration of functions between the various governmental agencies concerned.

Then there is a third subject, the construction of gas pipe lines and the import and export of gas. We believe that it is right that natural gas service and its development as a public utility should be under government regulation. But we also believe that these regulations should be of a type and administered in such a way that will not encourage inefficiency. Under this bill export sales of gas will be contingent now upon approval by the provincial authorities, the national energy board, the governor in council, and the federal power commission of the United States. In the case of domestic and export long term contracts, you will have to deal with proven suppliers at one end and an established and responsible distributor at the other. We know that local franchises are involved, and political considerations, sometimes indefensible ones, arise at various levels of government, and we also know that profiteering can take place. Delay and disappointment are inevitable. That means that most promotions in this field require hearings, negotiations, interventions, reassessment of positions, all of which take a long time, and these delays add to costs. Where a project is finally approved, the ultimate terms and conditions often reduce its profitability far below earlier expectations. Therefore while we do agree, Mr. Speaker, that this field must be subject to public regulation, in the public interest the administrative set-up and the procedures designed for that purpose should be efficient, and should minimize delays and difficulties. Perhaps the government will be able to convince us that the machinery established in this bill for this purpose is the most effective which could have been drawn up.

Now I come to another subject, the export and import of oil. There should be no difficulty about the export of oil because I think we are all agreed that any interference by government in the export of oil should be reduced to a minimum, because it is of first importance to encourage in every way possible the export of our oil into United States markets, especially now when it is going to be a little easier than it would have been perhaps a month ago. But the import of oil is a different thing, and it is this aspect of the bill to which we take the greatest exception. On Friday last the minister said, and I quote from his statement as reported at page 3930 of *Hansard*:

> There is no requirement of national policy to be served at present by licensing the import of oil.

And, again, he said:

> It would seem unwise at the present moment to take any action by way of import control which might give rise to misunderstanding and possibly call the arrangement into question.

The arrangement he had in mind was the arrangement recently made with the United States. Then the minister added:

It would be premature to do so until the second report of the Borden commission in respect of this matter has been received and considered.

We share these views as to the undesirability of acting, even through parliament, at this time with regard to this matter, but what is the government doing now in this bill? In clause 87, in spite of the words of the minister that there is no necessity for action at this time, the government is asking for power by order in council to take action which, it says, is not necessary now and may not be necessary in the future. That power it to be used against one commercial import singled out from thousands of others, and a very important commercial import at that. And this power is not power to act through parliament, but power for the government to act by order in council and without any consideration of an emergency to justify this power being used, or the action taken. That is an astonishing request to be made of this house by a government which consists of members most of whom had some very strong words to use about this kind of thing a few years ago. What a betrayal of all the brave, emotional words used by members of the Conservative party during the debate on the Defence Production Act in 1955. Where are the memories of the impassioned appeals to the rights and privileges of parliament of those days? Have they so soon been forgotten? Where are the Pyms and Hampdens, the parliamentary flag wavers and flag wearers of those days?

Mr. Churchill: I am glad you recognized we were advocating freedom then.

Mr. Pearson: I am trying to show the minister the great departure there has been as evidenced in this action now, from the words used in those days; and this departure throws a very lurid light on the meaning of the words which were used at that time.

The excuse now is merely that things may have to be done in an emergency in order to deal with oil imports. That is the excuse given by the minister, that we might have to act quickly. But is the security of the nation at stake in this issue? Would there be no time to consult parliament in a matter of this kind? This, apparently, is the minister's argument, that there would be no time to consult parliament because it might be necessary to act quickly. That is what the Minister of Trade and Commerce stated, and I quote the words he used last Friday:

If the need arose it would in all probability arise quickly, and would require quick action to avert serious disruption. For this reason it is proposed to make the power applicable by proclamation.

But when the minister of trade and commerce a few years ago asked for discretionary power of this kind to be used in a national emergency only and not merely to deal with the import of a commodity, this is what the same hon. gentleman had to say about the minister of trade and commerce of that day, Mr. C. D. Howe:

He has appeared to prefer to do things quickly rather than by the slower methods of parliament.

That was the statement which the present Minister of Trade and Commerce made on June 13, 1955, as reported at page 4688 of *Hansard*.

And the Minister without Portfolio from Toronto (Mr. Macdonnell), the hon. member for Greenwood, had this to say in the same debate, and I wish he was in his seat tonight to hear me repeat these words. At that time, when the request was made for this power under order in council to deal, not with the import of a commodity but with a national emergency, these were the words he used:

This is arbitrary power. This is the antithesis of our way of life. This is the antithesis of the rule of law, described by Dicey when he says that wide arbitrary powers are the absolute antithesis.

I wonder whether, if the hon. gentleman were in his seat tonight, he could defend this particular provision? I wonder if he would vote for it? I wonder if he would give the sanction of his parliamentary prestige and purity to it?

And then there was the Minister of Justice (Mr. Fulton). I regret having to read these quotations in the absence of the ministers concerned, but in this same debate when the government of that day was asking for power by order in council, that hon. gentleman quoted these words with ardent approval from a British pamphlet, as reported on page 4732 for June 13.

Those who give and those who receive arbitrary power are alike criminal and there is no man but is bound to resist it to the best of his power, whenever it shall show its face in the world. It is a crime to bear it when it can be rationally shaken off. ...Law and arbitrary power are in dreadful enmity.

Of course, the present Minister of Finance (Mr. Fleming) took part in this debate, and he was naturally even more emotional for the time being than any of the others. On June 28, 1955, as reported at page 5385 of *Hansard*, dealing with the request by the government of that day for power by order in council to deal with a national emergency, he had this to say:

Parliament! What is parliament to the minister? Parliament is not even to be permitted to be a partner with this all-powerful government in working out this program of defence production. Bring these matters to parliament? Why, the idea is unthinkable to this government opposite. What is parliament, anyway? Parliament to them is but a nuisance. We have had proof abundant today, sir;

all this talk, all this poppycock about parliament is just lip service from this all-powerful government opposite.

However, it was the Minister of Trade and Commerce himself who put the matter best when he said, as reported at page 4688 and 4689:

> Normally ministers come to parliament and ask for extension of their powers or for special powers for special purposes and parliament examines the situation, makes the grant of power and withdraws it when the crisis has subsided.

And then he went on:

> There are no angels in the House of Commons, and precautions are necessary when we are entrusting the government of men to men.

There are no angels in the House of Commons today, especially on the government benches. The argument which the minister made at that time in respect of an application of powers to be used by order in council in respect of a national emergency surely applies one hundredfold to an application in this bill for power by order in council merely to deal with the import of a commercial commodity.

Mr. Churchill: Would the Leader of the Opposition permit a question? Has he not overlooked the fact that the debate on the Defence Production Act in 1955 hinged on the request of the government of that day to give those powers to the minister of trade and commerce in perpetuity? It was that to which we objected, and we said: come back to parliament every two years.

Mr. Pearson: Mr. Speaker, these were powers to be used only in case of national emergency, and the minister must know that the bill as passed did not give the minister power in perpetuity; it gave the minister power for five years. The five-year period lapses, I may add, if the minister has forgotten, in a couple of weeks. But the minister's excuse is that we have to act quickly, never mind parliament, we have to act quickly in case we have to put restrictions on the import of oil. I cannot understand why there is this necessity for haste in the case of oil. Is it a question of defence and security, or oil sanctions, or something like that? These are some aspects of this bill, Mr. Speaker, which cause us anxiety on this side, and which we will deal with in more detail when we get to the committee stage.

I have already said that we would support the principle of the bill because we are in favour of the establishment of a national energy board; but I repeat that there are a good many features of this bill which we do not like and which we will do our best to get changed in the committee stage. We are not satisfied, as I have said, with the administrative set-up and the allocation of functions envisaged in this bill. We are convinced that the proposed arrangements will lead to duplication and possible conflict between the new board and other related existing government agencies. We think that in this bill—notwithstanding what the minister said about it on Friday and earlier—the government has failed to guard adequately against those dangers. We think it should have proposed at least a re-allocation of functions of some of those agencies, and indeed it might have brought some of those agencies under this board or under a single government department.

But while there is this danger of duplication on the administrative level there is also an important gap. There is no provision for consultation and liaison between the United States and Canada, and more particularly between the federal power commission and the national energy board. I know the minister discussed this the other night and he indicated why the government found it necessary to reject some of the recommendations of the Borden commission on this matter; but he did say that they were trying to work out satisfactory arrangements for liaison with the United States authorities. However, the minister must know that in most cases where those two agencies will be involved, the United States commission will have to issue an import permit—I am looking at it from the Canadian point of view—and the Canadian board will have to issue an export permit. The United States board and the Canadian board, I should think, would be bound, unless great care were exercised, to use different criteria. If there is no basic arrangement between the two countries, the applicants may have to travel between Washington and Ottawa without making very much progress, and perhaps for a very long time. In my view at least, that is likely to happen, and it would be most undesirable.

I do suggest to the minister, though I know he tried to deal with this the other night, that some basic arrangement in this field of energy between the two governments may well be required and be required quickly. Perhaps the precedent of the 1909 treaty on boundary waters may be invoked. Perhaps a similar arrangement may have to be ultimately worked out covering the field of energy between the two countries and providing for some kind of international joint commission in this particular field. I am not suggesting and I am not criticizing the government for not having put that in this bill. I quite realize that it would not be possible but I do suggest that in the working out of this bill

something like that may be found to be necessary. I hope the matter will be given very serious consideration.

While there is in our view duplication and gaps in the administrative arrangements provided by the bill, it seems to us to have an even more serious shortcoming in that it does not provide any national policy or guidance on energy questions.

Before issuing a certificate in respect of a pipe line or an international power line, the proposed board is required to ensure, primarily, that the project is economically feasible. I recognize that the main test to be applied by the board will be—if I read the bill correctly—the protection of the existing facilities and the control of competition. Moreover, the bill provides that the tolls to be determined by the board shall be just and reasonable. There is your criteria, "just and reasonable". Finally, before issuing an export licence, the board must be satisfied that the energy to be exported is in surplus and that the price to be charged is just and reasonable having regard to the public interest.

Those, Mr. Speaker, are the only policy principles contained in this bill and the only guides which are given to the board in carrying out the functions allocated to the board by this bill. Those policies are so vague that they will be of little use to the board in carrying out and discharging its responsibilities. Indeed, the bill does not provide any policy on energy and the board will have to develop such a policy if it wishes to use its powers consistently, according to certain specific principles. That, I say, is a very unsatisfactory state of affairs. The Borden commission, in its recommendations, did have—whether you approve of them or whether you agree with them or not—a national policy in mind when it recommended that the board be required to take into account, and I quote from the recommendation of the commission:

> The advisability of encouraging the development in Canada of processing industries relating to energy and sources of energy as distinct from the export of unprocessed natural resources.

In making that recommendation the Borden commission felt that our sources of energy should be used, not only to serve our national development but they also suggested that the board concern itself with—and again I quote from the Borden commission recommendation:

> Arrangements with respect to disposal of by-products and avoidance of waste.

I ask the minister whether he can point to anything in the bill that deals with this matter, a matter which is of very great importance to this industry and to the development of energy. As we all know—some perhaps know it better than I do because they are more familiar with this subject—the sale of such constituents of wet or sour gas as propane and sulphur helps to render fuel operations much more profitable. As our exports of gas to the United States increase—and we all hope they will increase—the disposal of those by-products will become a major problem in Canada. Sulphur, which was in such short supply only a few years ago, as we all know is now in surplus supply. Many of the liquid petroleum gases, including propane, will encounter increasingly difficult marketing problems, and yet they are becoming more and more important to the development of this industry. Were it possible to convert some of these materials into chemical products and to find substantial export markets for those products some of those difficulties might be avoided. The Canadian market is quite limited, and the United States market for chemical products, as we know, is not easily accessible, having regard to tariff barriers. Surely this is one field in which some bargaining with the United States might prove to be highly profitable as they more and more realize they are going to need our surplus, and that is the only kind of gas they are going to get, gas; but there does not seem to us to be any reference to this matter or any recognition of its importance in this particular bill.

Therefore, we contend, Mr. Speaker, that this bill is inadequate in the sense that it does not lay down any national policy for energy development. I think this is a major shortcoming. But whatever we may think of this bill, there is little doubt that it can have far-reaching implications on Canada's future. It is because of our recognition of its importance that we put forward these suggestions for improving it.

If this bill is to be made as effective as it can be made, surely those who have drafted the bill and those who are putting it before parliament now would be glad to submit the bill to experts in the field of energy where it could be scrutinized and where suggestions could be made for its improvement. It is for that reason that we have already made the suggestion, which I repeat with all earnestness, that the bill should be referred by the government to a standing committee so that witnesses can be called, evidence can be given and the bill can perhaps be made more effective.

There are good precedents for this course. There is a good precedent in this present session. The unemployment insurance bill has been referred on the government's own

initiative to the committee on industrial relations and in 1955 a bill on international rivers improvements was referred to the standing committee on external affairs. That action proved to be most useful because several provisions in the bill were altered as a result of the examination given to it by the committee on external affairs.

So, Mr. Speaker, I ask the government if they will consider the reference of a bill of this importance and complexity to a standing committee, whatever standing committee is most suitable, so that evidence can be taken before that standing committee and so that as a result of that evidence and as a result of the examination given to the legislation the bill can be improved and made more effective than we think it is in its present form to reach the objective we all have in mind in setting up a national energy board.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, the bill being debated by the house at the present time, has for its purpose the setting up of a national energy board, and in my opinion this is one of the most far-reaching bills that has come before this session or any other session for a long time. I may say that energy is the key to industrial development and national welfare. The people of the west who reside in that tremendous area commonly known as the sedimentary basin are fully aware of the tremendous resources they have in their back yard.

For those of you who are not familiar with the area and its geology from which the oil and gas supply originates, let me say that from the crest of the Rocky mountains stretching eastward almost, through Manitoba and north to the Arctic and into the arctic islands is a tremendous area known as the sedimentary basin, and it is in that area that we find these tremendous deposits of oil and gas. The exploitation of these resources, the finding of markets for the products and the development of petrochemical industries in the west are what we are looking and hoping for.

In order to have sound economic development of these vast resources it was considered necessary in the interests of the people, in the interests of the industry too, may I say, and in the interests of equity within the industry to advance the idea of an energy board. When we are talking about a natural resource like gas we must realize that it is an expendable resource. It is a resource that can be drained off by use and therefore we must give greater consideration to that factor than we would in the case of a replaceable resource such as hydroelectric power, for after all the water keeps flowing over the dams and hydroelectric power is generated, but when you draw gas and oil from the ground you are draining off a non-replaceable natural resource. That brings up the need for some measure of public control.

I am not one who believes by any means that everything has to be controlled but there are certain things, and gas is one of them, where you have got to have a certain amount of control in the public interest. That was found when the Alberta government set up the conservation board in that province. After the energy board has been set up to look after the interests of Canada with respect to oil, gas and other energy products the same thing will be found to be true.

I rose to speak on this matter because in my constituency in Alberta is found a great share of the natural gas that will warm the homes of Alberta. Turner valley is located there and also Flat Top mountain and Savannah creek. The tremendous gas and oil deposits in the vicinity of Pincher Creek are also located in my constituency. All along the eastern slope of the Rockies there are these tremendous fields of oil and gas. Therefore, with this tremendous surplus of energy we have to look forward to markets and I for one am 100 per cent behind the finding of export markets for these products. I think they have to be exported. Above all, if I am to say anything about export on the floor of the house I wish to say that an energy board should be set up for the purpose of looking after the public interest with respect to export. The question is how the exporting should be done in order to protect the public interest.

Let me call to your attention, Mr. Speaker, some of the factors which I think should be considered by an energy board. Coming from the west as I do and having worked very closely on these matters as a consultant in Calgary for a number of years, I feel I can speak with a certain amount of inward feeling and understanding of some of the economic relationships that pertain to this matter in the west. I should think that some of the factors which will need to be considered are, first, the pools which are to be drained. When we export gas careful consideration should be given as to what pools are drained. We do not want to see a pool drained right beside a great metropolitan centre which is using gas while another pool away off in the hinterland is not drained although there are pipe lines leading to it. Some consideration should be given to the question of what pools are drained when gas is exported.

The second factor is the price to the producers. If we are going to export gas it is necessary to take into account the 600 to

800 capped wells in Alberta where people have put their capital and see that they are given a decent return on this capital they have invested. I for one would like to see these people receive a fair share of the sale price of the gas in the foreign market. It is my thought that through more effective bargaining we should receive the best price possible for the gas we export. I am not so sure that an individual company, interested in completing a deal, is likely to act in the best interests of the public when it comes to agreeing on a price which would be the best price that Canada should obtain in relation to the price which consumers in Canada must pay.

The exporter of natural gas deals in wholesale quantities. In other words, if a gas company is making a deal to sell a tremendous amount of gas they will sell it a little cheaper than if they were selling a small amount. My contention is that we should look at the sale of gas from the retailers' point of view. Out in Alberta, where the climate is cold in winter the individual user of gas will consume perhaps 4 or 5 times as much gas as the consumer in the warmer climate. If we are looking at the problem from the consumer's point of view, then the man in Alberta is the big consumer, not the man in the warmer climate. If the price were established on the basis of the consumer, then that big consumer in Canada should pay a lower price for his gas than the small consumer in a warmer climate. All I am saying is that those who are looking after the public interest should protect the interests of the Canadian consumer by taking this matter into consideration.

If we are to establish industries, and have the industrial development hoped for then natural gas must be sold at a low price and the supply available for a long time. The petrochemical industries in the west are capable of producing in the neighbourhood of 10,000 products. Let us take the plant at Sarnia as an example. There are over 10,000 products that can be produced from oil at that point. The Polymer Corporation alone produces some 600 or 700 different commodities. As you know the gas which comes out of the ground is about 90 per cent wet gas and only 10 per cent methane gas. It is only the methane gas that goes through the pipes and into homes. The so-called wet gas is a sour gas which has to be put through processing plants to strip out the methane, ethane, propane, butane and hydrogen sulphide.

Some fields in the west for instance around Okotoks and in the Pincher Creek area are capable of shipping out a trainload of sulphur per day. There is a tremendous development in sulphur production alone, and there are tremendous quantities of propane, butane and ethane, all of which must find markets. When Canada is exporting tremendous quantities of natural gas to the United States it will be done through a pipe that has a 36-inch diameter, flowing 450 million cubic feet per day. This is a tremendous amount of gas and will result in a lot of by-products which will need to find markets either in the United States or through the development of industry in Canada. This is one of the most troublesome aspects of the oil and gas industry in the west, particularly the gas industry. Alberta has a conservation board and it is the policy of that board to require that gas and its by-products be conserved. This has meant pumping certain surplus products back into the ground, and that is being done to a certain extent. A certain amount of propane is flared in the summer. Wherever gas is flared, as was the case in the Turner valley during the early development period the loss to society was tremendous. I think everyone in this dominion frowns on that type of wasteful operation.

Now, coming back to industrial development I should like to say that in the Crowsnest area, for example, where we expect this pipe line will find its way through to markets in the United States, we are tremendously interested in the development of industry. If we are going to develop the iron ore or any of the other minerals in the Crowsnest Pass area, and if you are going to have secondary industries developed, we must have a price for gas which will be in line with the ability of companies to pay and with their ability to attract capital.

There is one other point I should like to mention and that is that those who are charged with the responsibility of examining the contracts of the different companies should look into the question of escalator clauses in those contracts. I am told these gas exporting companies have escalator clauses in their contracts. In other words the price of gas is set at a certain level and then it goes up year after year in increments and gradually the price is increased. I have heard that these escalator clauses are based on economic trends. I would recommend to the government that they look into the question of who drew these economic trends. There is no other industry in this country that I know of that has escalator clauses in contracts relating to the things which it sets out to sell.

Then, having said that, I believe there should be a sufficient margin of profit given to gas exporting companies to enable them

to attract capital and to make their operations profitable. There is no one in the picture who is going to deny them that. What we do want to see is that they act in the public interest. We should maintain equity among the different producers. It is possible that a big company such as Imperial Oil or Shell, with lots of bargaining power, could obtain a better deal than some small Canadian gas company. I believe that the economic forces should be bent in such a way that, over a long period of time, Canadian ownership will develop. Above all, we should maintain equity among the producers of gas and encourage Canadians to assume leadership in the production of gas and oil.

In so far as those of you who are not familiar with the gas and oil industry are concerned, I might say that natural gas often results from the exploration for oil. A company may be drilling for oil, and quite often strike natural gas. The valuation of gas or oil is a problem worthy of mention. Let me say for the benefit of hon. members who are unfamiliar with the oil and gas industry that if we are looking at the mathematics of investment, it depends on how fast you can exploit the supply in the well and this in turn depends on how much the conservation board will allow you to sell. That plus an assumed discount rate determines the price of the well. Any income from gas beyond 25 or 30 years, if discounted to the present, assuming an interest rate, does not amount to much. That is one reason why we have had a tremendous campaign to influence the public that we ought to cut and get out of gas in 25 years.

I do not blame that one body of people who are concerned with the exporting of gas, namely the pipe line companies. Their interests are to get their money out as quickly as possible; that is only good business; that is only natural. What I am trying to get at is that there is a conflict between that speed with which the export companies wish to get their capital back out and the public interest. The other side of the picture is the investment of capital in secondary industries. If you are going to put money into a petrochemical industry that will cost several millions of dollars, the very first question the investor is going to ask is this: How long is my source of raw material going to last?

It has been my humble duty to run an economic consulting business at Calgary for western Canada. Many companies have come to me and asked me for a study of where they should locate in Alberta. After you have gone through all the different factors necessary to consider in evaluating the potential income of that particular company, you will come to the conclusion that much depends upon the cost and continuity of the source of hydrocarbons. If you can show, as in the Medicine Hat area, where you have a source of gas that will probably last for 75 years and more and the cost is likely to be relatively cheap, that is where the industry is located. So when it comes to the investing of capital, there is that principle to which investors pay attention, namely how long is my source of hydrocarbons going to last. But that consideration is in conflict with the speed at which exporting companies wish to get their money back out of gas fields once developed.

The setting up of a national energy board is a step taken primarily for western Canada. These tremendous deposits of oil and gas and energy are largely located in western Canada. Since they are located out west, this board should have on it personnel who understand the problems of western Canada. I have watched the debate on this energy bill in this house and I have noticed that the people of Ontario are only mildly interested. I can understand why that should be so. We in western Canada are primarily concerned. It is us who should be considered when choosing people to be on the board. British Columbia, Alberta, Saskatchewan and to some extent Manitoba—yes, and Ontario—are the provinces concerned. But as to eastern Canada, what is the use in having on the board somebody from Halifax who knows very little about the energy resources in western Canada? All I am saying is this. They are good people and everything else, but this particular piece of legislation is largely for western Canada and I should hope that those who are in eastern Canada would look upon it as such and that they, for once at any rate, would regard us in the west as grown-up children and give us an opportunity really to direct this particular board in the interests of developing our tremendous resources out there, getting the capital and getting these petrochemical industries and other industries established.

I now want to say a few words on another matter. I have been tremendously impressed by the words of the Leader of the Opposition (Mr. Pearson) and of other members of the opposition and of the C.C.F. They have gone to great lengths in praising the report of the Gordon royal commission which recommended the establishment of an energy board. The Gordon royal commission made the energy board their number one recommendation. You may be interested in knowing how that recommendation got into the report.

Mr. Gordon set up a system and asked for the help across Canada of scientists, economists and everyone whose services he

could draw upon. In Alberta he asked the Alberta government to prepare a brief for the information of the Gordon royal commission. I was asked by the Alberta government to head the preparation of the Alberta brief. We made the creation of a national energy board our number one recommendation. Through Dr. Stewart who was on the royal commission with whom I talked many times and Mr. Gordon himself and others, as a result of the way in which they were impressed with the soundness of the recommendation and I may say the brief is in print for anyone who wishes to read it, the question of an energy board found its way into the final report of the Gordon royal commission.

Let me go back one step further because I want to give credit to the people who deserve credit. I was asked to take leadership and prepare "Alberta's Economic Prospects" which was Alberta's brief to the Gordon royal commission. There were some 50 people who made submissions to that brief. Each department of the government and the university, the research council, the power commission and many others were assigned by me to prepare certain submissions. An outline was prepared first and the submission written. The paper was then read by me and others and criticized. A series of teams prepared the various submissions and I acted as the economist with each team and co-ordinated the final paper. This was known as "Alberta's Economic Prospects" to the Gordon royal commission. During this work I made an assignment on coal to Mr. Lang of the research council. When he had his submission prepared and I read it I found that over a few pages from the beginning he had recommended an energy board but he had stricken it out. He thought that it should not be up to him to recommend an energy board. I said, "I think we ought to take that particular feature out of there and play it up and hold some meetings". So we called a meeting over in the office of the minister of economic affairs. Mr. Lang and Dr. Grace were assigned the task of redrafting the recommendation for the establishment of an energy board. That was done and we worked it over again, and from there it was made number one recommendation in "Alberta's Economic Prospects". You will find it in the back of the printed publication. This report was prepared back in October of 1955. Although the matter of an energy board had been mentioned by others this action in Alberta's brief focused attention on it. I do not wish to take any credit for it. I want to see all of the credit go to Mr. Lang of the research council of Alberta, Dr. Grace and others who worked with him. They are the people who deserve the credit.

As I have said before, Mr. Speaker, I am 100 per cent behind the export of gas. But if precautions are taken in order to protect the public interest with respect to supply and price I see no reason why we cannot go forward and have great benefits accrue from the export of gas. I just hope that we can build up an export market from which we can get a proper price and that all the people will benefit. I wish to thank the Minister of Trade and Commerce (Mr. Churchill) for the effort which he has put into this piece of legislation, and while any piece of legislation is a compromise, I believe that everything considered the bill before the house is the best compromise which could be arrived at at this time.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was very interested to note that the last speaker referred to this bill, like some of the other bills we have dealt with this session, as a bill concerning mainly his province or the other western provinces of Canada. However, that is not what the bill says. This is a national energy bill, and there are 101 clauses. I would assume that out of the 101 clauses some of them must, or should, apply to the people who live in the other parts of Canada.

We listened very closely to what the Leader of the Opposition (Mr. Pearson) said tonight. He said many things about this particular bill. In fact, much of what he said reminded me of Shakespeare's "Much Ado About Nothing", and I think that is about what the situation was. The member who has just sat down also referred to this bill as a far-reaching bill. It is far-reaching all right; it goes everywhere and gets nowhere.

This particular bill, in my opinion, is one of the most important bills which has been considered for a long time. I think that one of the oversights in this bill is the fact that it is called a national energy bill when in fact it is not. I think this bill is a bastardization of a great number of bills which we have at the present time, including our export and import bills concerning the production and sale of gas. This bill does not talk about matters of energy which should be in an energy bill, but which are completely neglected. A national energy bill should contain legislation which will govern gas, oil, coal and hydro power. Atomic energy must be taken into consideration also in a national energy bill. These things have not been taken into consideration.

This bill was no doubt prompted by the discussions spearheaded by the decision made by the previous government, and particularly by the then minister of trade and commerce. This bill in the main considers the matter which was raised by the trans-Canada pipe

line. Even in this field where the Conservative government conducted an election on this particular issue, and beat the drums across the country on the issue of the trans-Canada pipe line and the faults and manipulations which took place in the introduction of that pipe line, the government has completely neglected the responsibilities which they said they would assume in that particular field.

They have failed in the main to mention the other fields of national energy. The 101 clauses in this particular bill do not even consider the major sources of energy which we are going to use for many years to come. There is nothing in this bill that concerns our greatest potential energy in future years, the matter of atomic energy. That has not been considered. Therefore I would agree that this bill is far-reaching; it goes to many places but really does not get any place at all.

I suggest that this bill could be supported quite well by the Liberal party, and I was not surprised when the Leader of the Opposition rose and said that he was willing to support it in principle. I would like to know where he finds the principle in this bill. This is a conglomeration of a number of other bills and there is no principle in it. If the Leader of the Opposition does not know there is no principle in it, then I think it is an excuse for the attitude taken in the past on this matter of national energy, and in particular the manipulation and handling of the trans-Canada pipe line.

I think particularly in the last few years it has generally been decided that national energy is something which belongs to the Canadian people and should be used for the Canadian people. One of our greatest natural resources in years gone by has been hydro. I can think of one or two isolated cases in the province of Ontario where we have not nationalized hydro. I am thinking of a particular case not too far away from the constituency of the Leader of the Opposition. Perhaps it is something he could give some consideration to, because he represents a riding that is affected by a particular company. In Sault Ste. Marie they still have the natural resource of hydro controlled by a private company. I am thinking of people who live in the village of Searchmont which is only 10 or 12 miles from a major transmission line of this particular company, but there is no electricity in that community. They have built one of the most modern sawmills in Ontario, probably one of the most modern in Canada today. They have built this sawmill but have had to put in their own power development in the sawmill for the simple reason that private industry, as always, fails to serve the needs of the people when dealing with a national commodity, and certainly hydro power comes under that category.

We have seen also abuses over the years of these commodities and groups of commodities which have been nationalized. I am thinking again of the Ontario hydro as it affects a certain community not too far from my area. I pay five cents for the first quota of hydro power in rural electrification in northern Ontario, while at the same time the people of Quebec are buying the product of the Ontario hydro at half a cent a kilowatt and selling it to their own people through a co-operative in the province of Quebec at three-quarters of a cent. So even where we have nationalized some of these industries on a provincial or municipal basis, sometimes we find they do not serve the needs of the people because the people who implement them fail to make them work for the benefit of the people.

This government has failed miserably to do anything about many of the major sources of national energy. I do not really see why they set up the Borden commission to do a survey of national energy in Canada. I have read parts of their report and they have proved of great interest. I think the report has been well prepared and should serve the government in developing a national policy. But has the government taken any of the recommendations of the commission into consideration? Two of the major recommendations were, first, that there should be compulsion in the selling rates, so the government ignored that; and another recommendation was that the tolls, rates and tariffs should be calculated to yield a fair rate of return on the shareholders' equity. This recommendation was also ignored because it interferes with private enterprise. The government does not want them to get a fair return; they want them to get an exorbitant return.

It is apparently the hope that if this money is piled high enough, if the graft and profiteering which is taken out of the distribution of national energy in particular can be piled high enough, few of the crumbs may spill and fall on the floor where the multitude can share in some small way in those profits. We do not really care about the size of the profits which are being piled up as long as a few crumbs fall off and the ordinary people get their share of the crumbs.

Another question which we must take into consideration when discussing the establishment of a national energy board is coal. For years we have depended on coal, and we have on the statute books an agglomeration of many acts which deal with that industry. We

subsidize coal production in two or three different ways; we assist in the digging of it, in the shipping of it and in the selling of it. This is a commodity which could certainly be used for the betterment of all Canadians if it were brought under a national plan which would utilize it for the good of all the people.

One of the things we must keep in mind is that national energy represents one of the greatest resources we have in the country. We, in Ontario, have nationalized our hydro industry but we have also abused it badly. We have abused it to the extent that there are only a few more developments which can take place in the province which could be of benefit to the people generally. We have not carried out this operation on a planned basis. We have considered how it was likely to affect private profits rather than how it could best contribute to the development of Canada. We have given much more consideration to how this development was going to help the profiteers than how it would assist the mass of the people of this country. We have kept the requirements of the financial institutions more in mind than the need to develop our resources for the good of all.

If we lose our national resources, it should be remembered that there is nothing which can be put in their place, and this should make us particularly careful and responsible in our approach, especially to those areas which are so far untapped and undeveloped. If the government is sincere in wishing to develop those areas which up to the present have not been developed, one of the most effective ways of doing this would be to control our national energy and supply energy at a low rate of cost to communities where natural resources are lacking. We should find that a little subsidization in the field of the development of natural energy would be a lot more profitable than a great deal of subsidization in fields which are much less productive—the development of secondary industries, for example.

The government appointed the Borden commission to make this investigation. I wonder just why these commissions are set up, and I think the Canadian people are beginning to ask themselves the same question. I say this because after the Borden commission has been set up by the government, the government declared that no matter what recommendations the commission brought in it did not intend to pay any attention to them. The question arises: why set these commissions up at all? Do we need to stall for time until some decision can be reached? Did we ask these intelligent and highly reputed gentlemen to travel across this country, to interview people, to examine the situation in all parts of Canada and to hear representations from the major organizations just in order to give the government some measure of time in which they can overcome a growing understanding on the part of the Canadian people with regard to the place of natural gas in a national energy scheme?

Did the government want to overcome the feeling which is developing across the country that Canada has been sold down the river by the privateers and profiteers? Did the government want to let the smoke of that battle —the battle which they helped to lead—die down so that they could do exactly as the former government did, and bring in a bill which does nothing to assist the planning or development of Canadian resources and which does absolutely nothing to develop our sources and supply of natural energy for the good of the Canadian people? I think the Canadian people are going to ask why the Borden commission was set up. Obviously it was not set up to tell the government anything, because the government has completely ignored it. The government has paid no attention to its views.

Mr. Churchill: That is not right.

Mr. Peters: The hon. gentleman says: that is not right. I remind him that this plan was not produced for peanuts. But what major recommendation suggested by the Borden commission after an expenditure of a third of a million dollars has been adopted in this legislation now before us? A staff writer for the Toronto *Star*, Mr. William McGaffin, in an article which appeared on May 20 pointed out with reference to this bill that there was no compulsion about it; that the board might make orders with respect to all matters relating to traffic, tolls or tariffs, but that there was no indication of compulsion. The writer points out that the governor in council can, if it so wishes, over-ride these permissive powers, because it has the final say. It is true that recourse may be had to the supreme court on matters of fact and of law, but according to this bill such recourse is only possible on points of law.

It is also pointed out that tolls and tariffs are to be calculated to yield a fair rate of return to shareholders. Does this take into consideration the actual amount of money which was originally invested? Does it take into consideration that Mr. Tanner, president of Trans-Canada Pipe Lines, decided to place a bet as one would on a horse race—that he decided to place a bet of $8 which yielded a return of well over—

Mr. Speaker: I am sorry to interrupt the hon. member but I must remind him that it is past ten o'clock.

Business of the House

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be tomorrow? I wonder if we could be told the business from now until the end of the week?

Mr. Green: Tomorrow we shall proceed with this debate. There is a possibility that at the opening of the sitting we shall take item No. 1 on today's order paper, consideration of certain amendments made by the Senate to Bill No. C-37. Then we shall have to change the order from that which I listed on Friday in view of the expected absence of the Minister of Finance. We shall take item 9 on today's order paper, that is the resolution approving the convention on the nationality of married women.

Mr. Chevrier: That is after this debate is concluded?

Mr. Green: After this present debate on the national energy board is concluded. Then we shall go on with item 10, the resolution concerning the Defence Services Pension Act; item 11, the resolution on the Royal Canadian Mounted Police Act, and afterwards to the resolution which appears under government notice of motion today providing for additional judges. I am sorry that I cannot as yet tell the hon. gentleman what estimates will be considered should we get the energy bill through before the end of the week.

Mr. Chevrier: Is there any indication of what we shall do on Monday?

Mr. Green: We had in mind taking a supply motion should the national energy bill have gone through.

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

ANSWERS TO QUESTIONS

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

FROZEN SHRIMP IMPORTS FROM CHINA

Question No. 427—**Mr. Argue:**

1. Has any frozen shrimp been imported from China to Canada during (a) 1958; (b) 1959?
2. If so, at what ports were they landed, on what dates, what quantites, dollar value, and who were the Canadian importers?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Statistics are not available on the imports of frozen shrimps as they are not recorded separately.

2. As above.

BANK OF CANADA—CHARTERED BANK BORROWINGS

Question No. 432—**Mr. Racine:**

1. Have the chartered banks borrowed from the Bank of Canada during the years 1955, 1956, 1957, 1958, 1959, to May 1?
2. If so, what amounts for each of the above years?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Yes.

2. In the published weekly balance sheets of the Bank of Canada the following advances to chartered and savings banks were shown as outstanding:

Questions

1955—January 19, $1,000,000; April 20, $10,000,000; May 4, $1,000,000; May 11, $10,000,000; May 18, $10,000,000; June 22, $5,000,000; September 14, $15,000,000; October 5, $10,000,000; October 12, $26,000,000; October 19, $16,000,000; October 26, $16,000,000; November 2, $15,000,000; November 9, $17,000,000; November 16, $12,000,000; November 23, $32,000,000; November 30, $4,000,000; December 7, $12,000,000; December 14, $2,000,000; December 21, $4,000,000.

1956—January 4, $9,500,000; April 4, $16,000,000; April 11, $10,000,000; April 18, $10,000,000; April 25, $10,000,000; May 30, $25,700,000; June 6, $700,000; June 13, $12,000,000; June 20, $5,000,000; June 27, $5,000,000; July 4, $11,000,00; July 11, $18,000,000; July 18, $40,000,000; July 25, $12,000,000; August 8, $7,000,000; August 15, $25,000,000; October 10, $32,000,000; November 14, $25,000,000; November 21, $10,000,000; November 28, $50,000,000; December 19, $44,500,000; December 26, $10,000,000.

1957—January 9, $30,000,000; March 6, $400,000; March 13, $11,000,000; March 27, $10,000,000; April 3, $30,000,000; April 24, $21,000,000; May 1, $300,000; May 8, $100,000; May 29, $25,050,000; June 26, $24,000,000; July 3, $12,000,000; August 7, $11,000,000.

1958—April 2, $800,000; April 9, $250,000; April 16, $11,000,000; April 23, $20,000,000; June 25, $26,000,000; September 24, $3,000,000; December 3, $5,300,000; December 24, $3,000,000; December 31, $2,000,000.

1959—January 21, $3,000,000; March 25, $500,000; April 8, $12,000,000; April 15, $11,000,000.

HOUSE OF COMMONS

Tuesday, May 26, 1959

The house met at 2.30 p.m.

MINES, FORESTS AND WATERS

Second report of standing committee on mines, forests and waters—Mr. Murphy.

AGRICULTURE

REQUEST FOR STATEMENT ON MEETING WITH WESTERN DELEGATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister if he has any comment to make on the supplementary statement left today by the western farm delegation with the members of the government in support of deficiency payments on wheat, oats and barley.

Right Hon. J. G. Diefenbaker (Prime Minister): As the house knows, representatives from Alberta, Saskatchewan and Manitoba met with members of the government today and placed before the government certain supplementary information, to which was added a reply to the several questions I had raised in the house on this subject in August last, as well as on the occasion of the farmers' meeting here in the month of March. I think I can go no further than to say that there was a very complete discussion of the whole situation and that in so far as the whole question is concerned it will now receive further consideration in the light of the information given in the additional brief, as well as the information personally passed on to members present by representatives of the various organizations.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I have a supplementary question. Can the Prime Minister say whether, following the consideration that is now being given, a decision will be made during the present session of parliament so that if it is necessary to introduce legislation in order to implement the government's decision, that can be done?

Mr. Diefenbaker: Mr. Speaker, I would not want to answer that question directly, for the reason that it depends on the length of time during which consideration is given to the request.

Mr. Argue: Since the government has been considering this matter now for some months, does the Prime Minister not feel that a decision can be made within the next few weeks?

Mr. Diefenbaker: Mr. Speaker, the government gives the fullest consideration to matters before finally making a decision. In that respect it is somewhat different from the hon. gentleman whose question prompts this reply.

HOUSING

REPORTED DECREASE IN NUMBER OF HOUSES TO BE BUILT IN 1959

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Public Works. Will the minister comment on the report presented yesterday to the National House Builders' Association that only 67,500 houses will be built in Canada this year?

Hon. Howard C. Green (Minister of Public Works): Yes, Mr. Speaker. I think whoever made that estimate was an extremely poor guesser.

Mr. Garland: Perhaps the minister would care to make an estimate of his own for the benefit of the house. I am serious, Mr. Speaker. Would the minister be in a position to make an estimate of his own?

Mr. Green: As I have told the house previously, Mr. Speaker, I am not in the business of estimating. We are watching the situation very carefully. Tomorrow I am meeting the officers of the National House Builders' Association. When the government's policy has been decided upon it will be announced in the house.

Mr. Garland: Would the minister agree that this particularly drastic decrease of 55 per cent in house construction is due to a shortage of mortgage funds?

Mr. Green: Mr. Speaker, I am not agreeing to these far-fetched words which are used in statements of this kind. I know it is what I used to do when I was in opposition; I always tried to make things look as black as possible.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): You did not have as good material, though.

Mr. Garland: Perhaps the minister will be in a position tomorrow to tell the house and

the country—and I am sure, Mr. Speaker, this is a serious matter, as he agrees—just what the government intends to do to correct this shortage of mortgage funds. I wonder whether today he would be in a position to assure the house and the country that the interest rates on N.H.A. loans will not be increased.

Mr. Green: I can give the hon. member the latter assurance, Mr. Speaker. With regard to his earlier suggestion, I would point out to him that it does not help house building, the morale of the Canadian people or the creation of employment to have all this calamity howling that we are getting here on this question.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I have a supplementary question. May I ask the minister whether he used to feel that way when he was over here on this side of the house?

Mr. Green: Mr. Speaker, I thank God that I have never felt like the hon. member for Bonavista-Twillingate.

Some hon. Members: Oh, oh.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a supplementary question to the Minister of Public Works. I wonder whether the Minister of Public Works, after reversing his position in other matters, also reverses his position with regard to painting pictures and now paints as rosy a picture as possible?

NATIONAL DEFENCE

BOMARC MISSILE—REPORTED UNCERTAINTY AS TO SUCCESSFUL OPERATION

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Would the minister care to comment on a Canadian Press dispatch appearing in today's *Globe and Mail* to the effect that there is growing uncertainty with respect to the Bomarc anti-aircraft missile and that in the event the United States should discontinue its production, Canada would be left without an air defence weapon?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, in my opinion the facts do not warrant any uncertainty as to the effectiveness or future use of the Bomarc ground to air missile. I visited NORAD headquarters at Colorado Springs as recently as last Saturday, and I can say that the Bomarc program is up to schedule, and the inclusion of this weapon as a major element in the defence of North America remains unchanged.

[Mr. Garland.]

Mr. Hellyer: May I ask a supplementary question. Has the Bomarc yet been successfully tested against a supersonic target?

Mr. Pearkes: I said that the development of the Bomarc is up to schedule, and if it had been planned that it would be tested against a supersonic target, that would have been done. If it has not been, the intention is not to have it tested as at this date.

Mr. Hellyer: Mr. Speaker, I thank the minister for his hypothetical answer. Will the minister consider using his surplus Arrows to test the Bomarc before it is too late, and thus do a great service to our western allies in determining its deficiencies or otherwise?

An hon. Member: You be the pilot.

Mr. Pearkes: Canada is not developing this weapon. The development of this weapon is being carried out in the United States at their expense, and if the hon. member wishes to act as pilot in one of the target aircraft he should apply to the United States authorities.

EXTERNAL AFFAIRS

SUGGESTED MEETING OF SMALLER POWERS IN CANADA

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I would like to direct a question to the Prime Minister, notice of which I was able to give him just before 2:30 p.m. Has the Prime Minister's attention been drawn to a press report of a statement made by United States Senator Lyndon Johnson that there should be a summit meeting of the many in order to emphasize the important influence in the world today of countries other than the great powers? If so, is Canada prepared to extend an invitation to hold such a summit meeting in this country?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not had the opportunity, even though the hon. gentleman did give notice of his intention to ask this question, to read the remarks of Senator Johnson. However, I will read the transcript of his remarks instead of the press summary, and when I have done so I will be in a position to reply. Certainly we have one invitation out now for the holding of a summit meeting in Canada, and I think one at a time is really sufficient.

TRANSPORT

RIDEAU FERRY, ONT.—REQUEST FOR OPENING OF LOCK ON SUNDAYS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the desire of

many tourists and residents of the area to make use of the lock at the Rideau Ferry bridge on Sundays, would the minister give consideration to the opening of this lock to traffic on Sunday, May 31 and thereafter?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. I have been spoken to several times about this matter by the hon. member for Lanark, the member in whose riding this lock is, and I am very glad to say that we are going to be able to keep this lock open for the extended time requested.

CHIGNECTO CANAL—REPORTED LACK OF JUSTIFICATION ON ECONOMIC GROUNDS

On the orders of the day:

Mr. Frank Howard (Skeena): I would like to direct a question to the Minister of Transport. I sent him notice of this question, and I hope he received it in sufficient time. My question is, has the attention of the minister been drawn to an article on the front page of the May 23 edition of the *Financial Post*, which states that the Chignecto canal cannot be justified on economic grounds? If so, would the minister care to comment?

Hon. George H. Hees (Minister of Transport): I wish to thank the hon. member for giving me notice of his intention to ask this question. I have not seen the article to which he refers. My department is giving close study both to the economic and the engineering feasibility of this project.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question. Has a board of engineers or a commission been established by the minister's department to study the economics of the canal?

Mr. Hees: The economics of the canal are being studied by the economics division of the Department of Transport.

ST. LAWRENCE SEAWAY

OLD WELLAND CANAL—INQUIRY AS TO CLEAN-UP AND RESTORATION

On the orders of the day:

Mr. John Smith (Lincoln): I should like to direct a question to the Minister of Transport. It has to do with the old Welland ship canal, which is now under the seaway authority. Is the seaway authority now prepared to accept the agreement with the municipalities and the engineer's plans and estimates prepared by the Department of Transport, canal services branch, to complete the clean-up and restoration work on the old Welland ship canal in Niagara peninsula? If so, when will further tenders be called?

Hon. George H. Hees (Minister of Transport): I should like to thank the hon. member for having given me notice of this question.

Having taken over the administration of the Welland canal effective April 1, the St. Lawrence seaway authority will implement the arrangements made by the Department of Transport in connection with the work referred to, provision for the expenditures involved to be made from the canal services construction vote. Tenders will be called next month for the second stage of the planned improvements.

WELLAND CANAL—DELAYS CAUSED BY PILOT SHORTAGE AND CANAL CAPACITY

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Transport. Yesterday the minister referred to the traffic jam at the Ontario end of the Welland ship canal and told the house it was down to five ships, all of which were awaiting pilots. My question is, to what degree is shipping being held up at that point because of the shortage of authorized pilots, and to what extent is the delay due to the physical capacity of the canal?

Hon. George H. Hees (Minister of Transport): When I made my announcement yesterday I said that only two of the ships were being held up for lack of pilots; the other three were waiting in the harbour itself.

TRADE

RUSSIA—REQUEST FOR STATEMENT RESPECTING EXTENSION OF AGREEMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to direct a question to the Minister of Trade and Commerce. In view of the signing the day before yesterday of a five-year trade agreement between the United Kingdom and the Soviet union, can the minister inform the house what progress if any has been made toward the renewal of the Canadian-Soviet trade agreement which lapsed many weeks ago?

Hon. Gordon Churchill (Minister of Trade and Commerce): Negotiations with the representatives of the U.S.S.R. are continuing with a view to having a new trade agreement between our two countries. The fact that this agreement has been concluded in the United Kingdom may have some bearing on the conclusion of the conversations we have been conducting with the representatives of the Soviet union.

Inquiries of the Ministry

UNEMPLOYMENT ASSISTANCE

NEWFOUNDLAND—REQUEST FOR REPORT ON BASIS OF PAYMENTS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Minister of National Health and Welfare. Is the minister in a position now to report on the results of his investigation as to the basis of welfare payments to the unemployed in Newfoundland?

Hon. J. W. Monteith (Minister of National Health and Welfare): As I think I mentioned earlier, an official of my department has been in correspondence with officials in Newfoundland and has received a reply to his inquiry. I am not in a position to say exactly what the present situation is without further study, but I shall be glad to report to the hon. member.

IMMIGRATION

FURTHER UNFAVOURABLE PUBLICITY IN U.K. NEWSPAPER

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Citizenship and Immigration. Has the minister's attention been drawn to a report in the British newspaper *The People* that there has been almost a total failure of co-ordination between the unemployment authorities in Canada and Canadian immigration officials in the United Kingdom, and that this has enticed Britain's skilled manpower into a veritable man-trap in Canada and caused bitter disappointment because of lack of jobs? Have steps been taken to investigate the situation and to correct any false impressions which may have been created?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The answer to the first part of the question is yes. I really do not know what one can do to correct reporting when it is so biased and so falsified as that which has been indulged in by the newspaper to which the hon. member referred. This newspaper sent one of its representatives to Canada. He was given every co-operation by officials of my department in travelling around this country. He represented himself to me as having been satisfied with what he saw here. Beyond that I am not sure I can go. If the newspaper insists on misrepresenting the facts as they are, I am afraid there is not much I can do about it.

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

The house resumed, from Monday, May 25, consideration of the motion of Mr. Churchill for the second reading of Bill No. C-49 to provide for the establishment of a national energy board.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when the debate was adjourned last evening I was making the point that we had done very little to solve one of the problems outlined by the Borden commission, that of the financial manipulation that takes place from time to time, an outstanding example of which was that which occurred with respect to Trans-Canada Pipe Lines Limited. I pointed out that an official of that organization having made an investment of approximately $8 received a return of something over $1 million. The commission pointed out that investors are entitled to receive a fair return on their equity, but I suggest that even the government would agree that a return of this size in relation to the total investment is unreasonable.

We in this group are interested in the energy bill. Energy affects all Canadian people. This is a matter of interest not only to hon. members from western constituencies, nor is this a bill just to regulate or decide on the price of gas. Natural energy concerns everyone. Our heating, cooking and home illumination are provided by natural forms of energy, and all these aspects of the question should be considered in relation to this bill.

Mr. Speaker: I am sorry to interrupt the hon. member, but I feel I should ask the house to settle itself and hon. members who have business to transact in the house to do it in such a way that it will not make it impossible to hear the hon. member who has the floor.

Mr. Peters: Mr. Speaker, we in northern Ontario are vitally concerned with this bill. In the days of the founding of northern Ontario the potential of the natural resources there was well known to the traders and trappers who passed through the area over a period of years. Of particular interest at that time was the potential lumbering industry. When the development of that part of the country took place other forms of natural resources were found. In northern Ontario communities have been built around two major industries, the lumbering industry and mining which includes nickel, cobalt, silver, gold and copper. These industries have built many of the towns in northern Ontario,

and these communities are totally dependent on these industries. Communities such as Timmins, Kapuskasing, Kirkland Lake, Matachewan and Cobalt, which have all the facilities of modern towns including housing and schools and which should be capable of supporting a large population, have been unable to expand or even maintain a normal rate of growth.

It was thought that one stimulating factor would be the advent of gas. What happened when this new and potent form of energy was introduced in northern Ontario? A pipe line was built through our part of the country. A number of people who might be called land agents of the pipe line company came in to get easements of land for the construction of the pipe line.

The bill refers to expropriation. This was not a promise in northern Ontario; it was a threat. Many of the people had their arms severely twisted by the threat of expropriation. They were told that if they did not give easements to the company they would be taken to court where they would have to go through the process of law, and would have to give up rights pertaining to their farms whether the line happened to be going through the barn or the house or some other place. They were told that they were going to have to give these easements for a lot less than the company was offering.

I would suggest that the bill has all the inherent faults and problems that we were faced with, because the expropriation section is based on the old Railway Act and, as everyone knows, you can expropriate the land to build a railway from coast to coast much more easily and cheaply than you can expropriate a piece of property 66 feet wide on a man's farm. It would take several years to go through the due process of law, and the farmer would have no farm left by the time he had fought the case through the many stages necessary to conduct his case.

We have not given consideration in the bill to the people who are affected with respect to easements, but we have given a great deal of consideration, as we always do, to the people who are going to make fortunes as a result of the bill. They are going to have the law on their side, as has always been the case. There is going to be justice for the rich and no justice for the poor. I know many farmers in my area who did not get a fair deal even after we made a very strong case publicly on their behalf. The amounts were tripled and raised even higher in many cases, but they still did not get a fair and reasonable deal.

The transporting of energy through a pipe line was looked forward to in northern Ontario as something that would solve some of the problems with which we are faced. Most of our industries are based on natural resources that cannot be renewed, and the ones that can be renewed have not been or it does not appear that they are going to be. I speak of the forest industry. As far as the mining industry is concerned, the towns involved are withering away through lack of impetus to bring about further development in the area.

Gas coming into northern Ontario could mean a great number of things. It could have meant the development of a low grade coal project we have in the area. If this energy could have been supplied at cost it could have made possible the development of this low grade coal deposit. We also know that in the wastes which come from our mines in the form of slag we have a great potential so far as building materials are concerned. If we were able to use this energy for the betterment of that part of the country we probably could develop a process to transform the slag into building blocks in one form or another, and thus utilize many of the wasted assets connected with the mining industry.

We have depended on hydro power, we have depended on coal and oil. Each of these commodities is terrifically expensive, and that is not because of the geographical position of that part of the country. We made arrangements many years ago to sell hydro power to southern Ontario. We made arrangements to sell timber to other parts of the country. As to the gold, coal and nickel industries, they are not designed so they can be advantageous to our secondary industries. Oil costs us 29 cents a gallon, and the price is not competitive with that of oil in other parts of the province.

We have raw materials available in the form of wood and many minerals. All we need is a source of energy which will allow us to process them into completed products and thus be the basis of our secondary industry. But when gas came into northern Ontario it did not supply this need. Therefore we are suggesting that again the Canadian people have not been given the things they expect from our natural resources. They have not worked to our advantage.

We say this bill is just a cover-up for a lot of mistakes in many other bills. It is a conglomeration of a number of other bills, and it does not set up a new national energy policy. One of the Conservative members rose last night and said that eastern members should help to pass the bill immediately because it only affects the people of the west. That is not what we want from a national energy bill, and that is not what we are going to support.

National Energy Board

I move, seconded by the hon. member for Port Arthur (Mr. Fisher):

That this bill be not now read a second time but that the subject matter thereof be referred to the standing committee on railways, canals and telegraph lines.

In moving this amendment, Mr. Speaker, I am doing what the Leader of the Opposition said he wished to do. I have also decided on the committee to which the bill should be sent, something on which he could not decide, and we hope we will have the support of the opposition in our effort to refer this matter to the committee for further consideration.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, first I wish to express my regret that by reason of circumstances I could not control I was not able to be in the house last evening when the Leader of the Opposition spoke on the bill, for after all I was most anxious to hear his views on this very important measure. While one can read *Hansard*, it never conveys the message to the same extent as listening to the spoken word. As I proceed I shall be making mention of some of his suggestions and some of his references.

However, I must say I am glad that the opposition has seen fit, as I apprehended his remarks, to support this measure which is so necessary to the development of our country. I shall also refer to the amendment just moved by the C.C.F. party which, of course, as I understood from an earlier speaker, builds its case on a policy of national ownership of those things that are required for national development.

I shall commence simply by speaking of the purposes of the bill, and I think the explanatory note sets forth those purposes, "to assure to the people of Canada the best use of energy resources in this country." In other words this is another step forward in the national economic policy of the government wherein positive action is being taken. Indeed, there is no other basis for national development than through the medium of such a policy in which the state provides the climate and the opportunity for development while at the same time maintaining the public interest and denying injustice in the carrying out of development plans by private industry.

I remember so well, and I speak now for the moment in so far as the C.C.F. amendment is concerned, that prior to 1944 the solution for every problem in Saskatchewan connected with the development of that province depended on nationalization and control by the state. I find, however, that in the light of the experience those in the government of that province have gained, they no longer have that same feeling of massive adherence to the doctrine of socialism which they had prior to taking office.

I am one of those who are opposed to anything in the nature of unjustified or inordinate profits made without risk. The essence of profit is the foundation upon which jobs are assured. You cannot expand a nation unless there is a reasonable and proper return, that return being dependent, in size in particular, upon the degree of risk undertaken by those who are prepared to invest their money in these plans. The hon. member for Timmins said he had read the Borden commission report and it seemed to come close to recommending public ownership. I have read that report from end to end, but I see nothing to indicate support for that contention.

I think I should mention the transition, the metamorphosis that has taken place in Saskatchewan, when these hon. gentlemen opposite speak with horror of fair returns to industry. A moment ago there was a speech, and it was similar to one that was made a day or so ago, regarding the awfulness of expropriation. Well, we have expropriation in our province and we also have the means by which the individual may assure himself, through the courts, about the way in which it can be done and those circumstances have been disclosed.

When these hon. gentlemen speak in lachrymose words and tones regarding profits, non-risk and the like, I would remind them of one or two recent examples in Saskatchewan wherein the government of that province has seen fit not to maintain the principle of public ownership but indeed to invite private enterprise into Saskatchewan fortified by the guarantee of the provincial government. I am not going into the particulars in this regard unless hon. gentlemen have a curiosity for full information. However, I would remind them of one or two recent examples. One of the latest examples is the establishment of a steel mill in Regina. In that case the government of Saskatchewan backed the loan to the extent of $10 million, according to the *Financial Post*, and there were 2 million common shares authorized. Of those, 130,000 were offered to the promoters at 60 cents a share.

Banish the thought, Mr. Speaker, of the government of Saskatchewan agreeing to guarantee and back private enterprise companies which were not undertaking too great a risk, but in this instance they allowed the promoters to take 130,000 shares at 60 cents a share. Do you know why they did so, Mr. Speaker? I do not, but it is interesting to note that the provincial treasury took 180,000 shares at the same rate and the

sponsoring group took a further portion of those shares at $5.40. Finally, there was a public offering to the average person at $6 per share.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Now, the hon. member for Assiniboia (Mr. Argue) may believe that this is different from oil companies. Well, as the result of a guarantee by the provincial government this company, and indeed another company, a cement company, as well as the Prairie Pipe Company, were able to go into Saskatchewan and establish themselves under a guarantee of their bonds by the government of that province, in whole or in part, and for that 60-cent investment, in which there was no particular risk, the promoters and the treasury of Saskatchewan could, if they were to take the price of the shares set in a public offering, get $6. I am not going into further particulars about these companies unless anyone exhibits a zest for further information in that regard.

Is it not strange, Mr. Speaker, that they are still speaking of the merits of public ownership? I ask these hon. gentlemen to go out to Saskatchewan to see the experiment in operation. They went to New York to get financing; they found it necessary to go to private enterprise when Alberta and Manitoba were advancing very rapidly in the matter of resource development, with a view to seeing whether or not it would be possible to secure the necessary funds so that Saskatchewan, which was presumed to be the experiment in nationalization and socialization, would be able to catch up with the other two provinces. It is well to keep these things in proportion, and it is well to realize that when these facts were pointed out to the hon. member for Assiniboia he answered in words to this effect, "Well, it is different". Perhaps I should read from the article in question. It is an article dated December 1, 1958 in the *Globe and Mail*, and reads:

> Speaking recently in Vancouver, Mr. Argue said parliament should pass a law making it illegal for company promoters to offer stock to the public at more than they themselves paid for it, or conversely, that they should not be permitted to get it for less than the offering price.

Then it goes on to say:

> In Saskatchewan in the last three years three industries have been launched with government financial assistance. In each instance promoters obtained stock below the price asked the public. In the latest venture—Interprovincial Steel—the C.C.F. government itself owns the biggest block of promotion stock.

When this was brought to the attention of the hon. gentleman he said, "Well, these are different types of companies". These vocal rules he had established became obliterated in the light of experience. I point these things out by way of introduction because the hon. gentleman said this, as reported on December 27 in the Regina *Leader-Post*:

> —his criticism of shares being given to individuals at low cost, was confined at criticism to pipe line companies.

I will allow him to extricate himself from his own reasoning in due course.

The latest thing is the motion that this matter should be submitted to a committee. Throughout this session I have heard complaints that so many committees have been set up that it is impossible for hon. members to discharge their responsibilities. Here we have legislation for which the government must take the responsibility. Royal commissions do not legislate. They hear the evidence; they make recommendations, and governments act on the basis of accepting those portions which in the opinion of the government will meet the exigencies of the moment. We have had two commissions on this matter. The official opposition say the Gordon commission covered this situation. The Gordon commission sat for a long while. It sat for $1,380,000 worth of time. It was covering the history of Canada for the next 25 years and, as an incidental in the recommendations it made, it dealt in part with this question.

As I remember the facts in connection with that commission, the report in general was available in September of 1956 although it did not officially come into the possession of the government until December 6 of that year. The Leader of the Opposition says, "We are all for an energy board; we came to that conclusion in January, 1958". The Gordon commission recommended the setting up of such a board in December of 1956. I brought the matter before the House of Commons in February, 1957 and I remember the disparaging answer given by the then minister of northern affairs and national resources to the effect that all was well—and a reading of his speech at that time will indicate support for my contention thereon —that there was no need for such a board.

While the recommendation was made by the Gordon commission, it was not acted upon. The former government was in power until June 20. The house sat until April of that year, yet no action was taken. It was not until January, 1958, according to the Leader of the Opposition, that the Liberal party finally came to the conclusion that this particular recommendation was in accordance with its wishes, its desires and its hopes.

I would say this. I intend to review the bill in general without referring to the sections, something of the nature of the bill

that is before us and its reasoning. A moment ago I said it marks a further major step in the implementation of a great national development policy for which this government received a mandate from the people of Canada. A national energy board covers this particular phase of the entire situation, namely energy within the definitions contained in paragraph 2. The Leader of the Opposition says there should be a national energy policy in a statute. I do not know what kind of a statute it would be if it were to contain generalities with respect to national development. This is but another step in that national development policy.

As to coal, and in particular maritime coal, this government has taken forward and important action in order to assist the miners of the maritimes. Tomorrow, I will be in western Canada, in the province of Saskatchewan, to see taken one further step in that national development plan, namely the beginning of the work on the South Saskatchewan dam. For many years members in various parts of the house asked that action be taken in this regard and pointed out the possibility that the time would come again—as has happened recurrently in the last 100 years—when drought and the like would overwhelm those particular portions within the Palliser triangle. This year conditions are not as hopeful as I should like them to be.

Over the years, over and over again, there have been advocates in support of this tremendous undertaking. We received promises, qualified and unqualified, from 1949 on; but it was only when this government came into power that action was taken in this regard and a beginning was made on this project.

Mr. Martin (Essex East): I rise on a point of order, Mr. Speaker. The Prime Minister is now giving us a dissertation on irrigation in western Canada. In it he might include the request for deficiency payments made this morning by the farmers of Canada. What have these matters to do with the bill now under discussion? In the last few days, Mr. Speaker, we have been held strictly to account. You have ruled us out of order on matters which had more relevancy than this. I would ask you to remind the Prime Minister that he is not immune from the rules of this house any more than any other hon. member.

Mr. Speaker: I do not know whether or not the Prime Minister wants to reply before I say anything on this subject.

Mr. Diefenbaker: Mr. Speaker, with becoming modesty in so far as this government is concerned I was trying to answer the Leader of the Opposition, who said last night that this bill did not go far enough and that it should go further. I am showing that it is just a step in the national development policy. That causes the hon. member for Essex East, by reason of his own conscience bothering him, to be just a little bit exasperated.

Mr. Pearson: On the point of order, Mr. Speaker, may I say this. You will recall that yesterday you ruled an amendment out of order because it dealt with public ownership, a subject which you considered to be irrelevant to this bill.

Mr. Speaker: I am not sure that the Prime Minister was talking about public ownership.

Mr. Pearson: He was.

Mr. Speaker: As I understood the point of order, it was concerned with the South Saskatchewan dam, which is somewhat remote from the problem we have in hand, except in so far as it may generate electricity. I am sure the Prime Minister does not intend to stay in Saskatchewan too long. To deal with what the Leader of the Opposition said, it is true that this is not a debate on public ownership, as I have already ruled. I noticed that the Prime Minister got rather far in that field today, but it was in response to what had been said earlier and I do not intend to try to confine the matter too rigidly. But on the point that has been taken I agree that the South Saskatchewan dam is not relevant to this bill.

Mr. Diefenbaker: All right, Mr. Speaker; I was trying to give hon. gentlemen some information on this matter. I knew it would be a bed on which they would not want to lie.

Mr. McIlraith: Follow the rules.

Mr. Diefenbaker: I do not want to continue to cause them so much personal suffering.

At that point, Your Honour, I was about to deal with other examples of this national policy, but I shall not do so in view of your ruling. I think, however, I should say something about our energy reserves, not in detail in any way but simply to indicate the importance of this bill, because the attitude taken by the Liberal party is a most unusual one. They support it in principle.

Mr. Pearson: In principle.

Mr. Diefenbaker: They are opposed to this provision and that provision. They are shocked by certain items. They are annoyed by items which do not exist at all, and they are exasperated by the fact that we are proceeding to do that which should have been done, as they now concede, years ago.

Few countries in the world are so richly endowed with potential sources of energy as

Canada. The hon. member for Edmonton West and the hon. member for Bow River and other hon. gentlemen have over the past months told us something of these vast resources. I am now restricting myself to oil and gas, which provide the opportunity for Canada to stand on the threshold of a new era. The mobilization of these resources of oil and natural gas, coal and hydro power must be assured to guarantee to Canadians the fullest advantage of this land and their heritage.

I shall not deal with the hydroelectric potential or with the tremendous possibilities of the Hamilton river in Labrador, other potentialities on the Yukon river when diverted through huge tunnels into the Taku river, and the undeveloped power in this country amounting to more than 54 million kilowatts. All these are resources that we believe must be developed. Their development must be encouraged now, while at the same time protecting and preserving the public interest. In the western Canada sedimentary basin there are today proven and potential resources which may give to this country the largest crude oil resources in the world. No one can say today what is the possibility and the extent of the black gold which lie beneath the surface in Canada.

It was because of the importance of this matter that we advocated on many occasions a national policy in respect of the various kinds of energy and also the various types of potential development. No one can give any estimate as to how much our oil resources are worth. There are those, however, who have recently estimated that the crude oil resources of Canada are worth $96 billion. In so far as the gas resources are concerned, it is estimated they are worth $40 billion. These are figures which actually stagger but at the same time challenge the imagination of this country.

It was because of this that we endeavoured, not only in 1957 but earlier, to secure some action on the part of the former government. As the then leader of the opposition I set forth our views in this house on February 11, 1957 as reported on page 1160 of *Hansard* of that date, and on that occasion moved this amendment:

> —this house is of the opinion that the welfare of the Canadian people requires the adoption now of a national development policy which will develop our natural resources for the maximum benefit of all parts of Canada, encourage more processing of those resources in Canada, correct the present serious unfavourable trade balances, foster wider financial participation by Canadians in the development of our resources, and promote greater opportunity and employment for a steadily increasing population.

The answer given at that time, in general, was that no such policy was needed, that we had the necessary legislative powers under existent statutes. I would like to point out before I proceed to deal with the remarks of the Leader of the Opposition just what that legislation comprised. It consisted of an act to regulate the exportation of power and fluids and importation of gas. Fluids are defined as "gas, oil, water or any other fluids, whether liquid or gaseous, that originate or are produced or recovered in Canada". I would point out that that act was passed in 1955 and included oil.

The manner in which the act dealt with licences permitted those things which took place in the Trans-Canada pipe line organization that we, by this legislation, intend to ensure shall not take place in the future. The provision as to licences was under section 3, which reads:

> Subject to the regulations and to such terms and conditions as the governor in council may approve . . . licences may be granted for
> (a) the exportation of power and fluids;
> (b) the importation of gas; and
> (c) the construction or placing of any line of wire—

And so on. Then subsection 2 reads:

> A licence to export power or fluids may provide that the quantity of power or fluid to be exported shall be limited to the surplus remaining after due allowance has been made for distribution to customers for use in Canada during the period of the licence.

Then section 6, subsection 1, reads:

> No person shall export any power or fluids—

"Fluids" include oil.

> —or import any gas except under the authority of and in accordance with a licence granted under this act.

All the powers as they were exercised then were within the limitations which are now objected to by the official opposition. In so far as exports were concerned, regulations were made in this regard. Section 9 of the regulations passed by order in council on June 20, 1955 reads as follows:

> The price charged by a licensee for power or gas exported by him shall not be lower than the price at which power or gas, respectively, is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada.

Now, sir, that did not protect Canadians from being placed in the position of subsidizing the cost of gas and the like for another country. That was one of the most serious shortcomings of this legislation as it existed subject to the regulations in 1955, that it was ineffectual in that regard. I remember the momentous debates of three years ago in which we endeavoured to point out to this house and to the country the serious situation

whereby Canadians would pay more for gas in Canada than would the recipients of the gas in the United States after export. In other words, our contention was that action had to be taken in this regard to protect Canadians, both producers and consumers.

The Leader of the Opposition in his remarks last evening seemed to leave the impression, or endeavoured to do so, that the Borden commission had been an expedient, a delaying action. He suggested that the legislation now before us did not clarify the national energy policy, that it left unresolved numerous duplications in function; and in sharp words he spoke of the oncoming dangers of arbitrary government by order in council.

Then he ended by saying, "Let us have a committee on this. The Borden commission made the situation clear and heard evidence over a very considerable period of time, but let us now disregard the evidence which was taken in the past and have this matter submitted to a committee of parliament". I say there is no expedition in that course nor any value in it, having regard to the fullest possible investigation which has been made by these two commissions.

The Leader of the Opposition complained that we had delayed bringing this particular piece of legislation before parliament. I would point out that the time of parliament has been taken up mainly, with the exception of certain items of legislation which have been brought before it, with the debates on the speech from the throne and, latterly, on the budget, and the budget resolutions. The resolution preceding this measure was placed on the order paper early in the month of April. Every opportunity was given for the study of these two reports in the intervening period.

The Leader of the Opposition says that in June, 1958—and I take it that was in a spirit of resignation—the Liberal party came out in favour of an energy commission. Well, I can understand the hon. gentleman's feelings in that regard, for he spoke in the city of Victoria during the election campaign and he dealt with this question. At a press conference he said he would agree to the export of natural gas to the United States.

He took a long time to come to that conclusion—until 1953 or 1954. But listen to these words, the significance of which can only come to the minds of those who were here three years ago.

He said this, but he emphasized—and I can see him as he did so—that this would not be a one-man decision. Whom did he have in mind? Did he have one in mind who is no longer here and who was able to advise the Trans-Canada pipe line company that export would be allowed in the event that the federal commission in the United States agreed? No longer was there to be a one-man decision.

That is the reason for this type of legislation—to assure that decision will be made by a board; not by such a board as was suggested by one member and reiterated by another, but by a board which, when set up, will hold office during good behaviour for a period of seven years and which can only be removed by the governor in council upon an address by the House of Commons and the Senate. There is not much of the stooge about a board whose members will be placed in the same position as the civil service commissioners, who can not be removed except by a vote of parliament. In other words, to make sure that this board will operate for the benefit of all Canadians it will operate beyond any suggestion of control in any way.

Mr. Winch: Eyewash. All the powers are subject to the cabinet.

Mr. Diefenbaker: When it comes to eyewash I do not want to compete with the hon. gentleman.

The Leader of the Opposition said he intended to support the legislation. We are glad to see the opposition taking that view. We are dealing with legislation which is difficult to draft—difficult to assure and preserve the rights of Canadians as a whole—and we hope there will be full examination; we hope the views of hon. members of this house with regard to this measure will be placed before the government of the day through the medium of debate.

The board has no power to do other than handle the energy resources of Canada. Mention was made of power exercised by order in council. Let me say that in so far as our great resources are concerned no responsible government would dare place itself in the position where any determination would be made on questions of national policy except on the basis of our legislative system, whereby responsibility rests on the executive with the assistance and the support of the House of Commons and the Senate.

There seems to be general support for the legislation. The broad powers are made flexible enough to assure that risk capital will not be prevented from coming into Canada; it will be invested here, and development will be maintained. I cannot refer to the several clauses, and I do not intend to do so except in so far as I may paraphrase them.

I mentioned a moment ago how entirely free from outside control the board will be. Now with regard to the issue of certificates —and again I am just paraphrasing—someone

has said—and I think I heard the Leader of the Opposition say this—that there would be no assurance that Canadians would have any participation, and that we had strongly advocated the necessity of our natural resources not being owned to an overwhelming extent outside Canada.

I would point out that in granting licences the board has to take several matters into consideration. It is not a perfunctory or routine discharge of responsibilities. The board has to take into consideration the availability of oil or gas or power, the existence of markets, the economic feasibility of a pipe or power line. In addition, it has to ponder another consideration; to deny fly by night promoters, who risk nothing but organization costs, the opportunity to make tremendous profits, inordinate profits. The board must take into consideration the financial responsibility and the financial structure of the company, the method of financing, and—I underline this because it is of material importance—the extent to which Canadians will have an opportunity of participating in the financing, engineering and construction of the line. What could be clearer than that?

Mr. McIlraith: I wonder if the Prime Minister would permit a question at this point. Is he suggesting that the criteria he has just read from the bill are any different from the criteria which have been applied by the board of transport commissioners for Canada in connection with hearings for leave to construct pipe lines?

Mr. Diefenbaker: I am not here to discuss what the board of transport commissioners did or did not do, or the criteria they applied. But from now on these criteria, in the event that they are passed by parliament, will be dominant in the determination by the board to give regard to the necessity of Canadian participation.

Finally, even when all these things are determined, a major matter is the question of the public interest which must at all times be one of the considerations in the determination of a recommendation for the issue of a licence. Also, the board can issue a certificate; but it has already received instructions under an earlier clause that it must take into consideration and may add such items and conditions in the issue of the licence as to construction, ownership and operation of the line as it considers desirable or necessary. That is an answer to all these querulous arguments that we have in any way abdicated from the position we took when we determined on the necessity of Canadian participation.

Those clauses of themselves indicate something of the circumstances which must be taken into consideration and which do in fact protect the public interest. Then, too, there will be no more hiding on the hearings. The hearings will be in public so that all who want to may be present and every opportunity will be given for the fullest possible airing of all the circumstances connected with the matter.

Finally there is the question of whether the public interest will be protected. One of the matters that was the cause of infinite unfairness to Canadians under some of the licences granted when the former government was in power was that Canadians paid through the nose for consumption in Canada while the price in the United States was lower. Members of the former administration said, "We cannot protect you because the regulations say that regard must be had to similar conditions and similar quantities before determination in this regard can be made".

These are a few of the material matters with which this legislation is concerned. Somebody said that the powers should be spelled out. In reply I affirm that they are spelled out and are sufficiently flexible to assure, through public hearings and through maintaining the inviolability of the board by its appointment for a period of seven years unremovable except by vote of parliament, that the public interest can be and will be maintained.

When it comes to the question of appointments we intend to make the best appointments it is possible for us to make.

Mr. Winch: All Conservatives.

Mr. Diefenbaker: I did not have the hon. gentleman who interrupts in mind. We intend to assure that those who are on this board will be the best men procurable regardless of any other consideration.

Mr. Winch: That would be something new in appointments.

Mr. Diefenbaker: My hon. friend must be thinking of the experience in Saskatchewan. We want to assure that the best possible men will be obtained. I know the Leader of the Opposition will agree with me when I say that no one can understate the difficulty of getting the number one, the most outstanding men for these various positions, because of the sacrifice that results from the salaries that are granted. There is no doubt about this, as anyone occupying a position of responsibility will corroborate.

I know this has been my own experience. I have seen outstanding men approached concerning appointments of this nature. They have begun by pointing out to me that in private life they make a great deal more

money and that these are their earning years. They finally conclude by saying that much as they would like to serve the public interest they find themselves unable to sacrifice to that extent.

This is an aside, but may I say that when I was in Australia and New Zealand a few months ago I met a number of outstanding men in the public service there. These were civil servants like those we have in Canada, who make an outstanding contribution. I am thinking out loud now, but I have often personally wondered why they remain in the civil service at the salaries they receive. In speaking to these men of tremendous capacities and great abilities who were prepared to accept salaries far below what they could secure in private life I said, "How is it?" "Well," they said, "we have little rewards that go farther than money can possibly go in compensating us. When we give years of devoted service we ultimately may receive something not in the nature of a title but something in the nature of a decoration which will indicate the state's appreciation for the services rendered."

Mr. Speaker, we experience difficulty in securing the best, but we intend to do everything possible to assure that this board, with the great responsibilities it has to protect the public interest and to maintain the assurance of resource development, will be composed of the most outstanding men who are available; because among other things this board will have the power to determine just and reasonable tolls—and this is of great importance—and shall always, subject to the exception therein given, be responsible for seeing that they are charged equally to all persons at the same rate. That is one of the most important considerations, the determination of just and reasonable tolls, not tolls that by any stretch of the imagination could permit of exorbitant or extraordinarily great profits without risk being attached; such rates that will assure the return that must always be accorded to those who risk, and that will assure a fair return to all and at the same time preserve and maintain the public interest.

I found it a little difficult to follow the arguments of hon. gentlemen opposite. The hon. member for Villeneuve, in what I thought was a most thoughtful speech, argued that the Borden commission was not needed because the work had already been done by the Gordon commission. He said that had all been done but of course urged that a standing committee be set up for public hearings. There were those who said they believe today in a national energy board. Again I would point out what the former minister of northern affairs and national resources said with respect to this matter in 1957.

Mr. Pickersgill: Would the Prime Minister permit a question?

Mr. Diefenbaker: Yes.

Mr. Pickersgill: Would the Prime Minister give the reference to what Mr. Lesage said in 1957, and the date?

Mr. Diefenbaker: Mr. Speaker, as a matter of fact I can tell the hon. gentleman that it appeared in *Hansard* following the motion I moved on February 11, 1957. I have in my hand the notes I took at that time. I have not the copy of *Hansard* here, but the hon. gentleman could look it up.

Mr. Pickersgill: Perhaps, sir, the Prime Minister would permit one other question.

Mr. Diefenbaker: Surely.

Mr. Pickersgill: Was not Mr. Lesage at that time referring not to a national energy board but to a national development policy?

Mr. Diefenbaker: This was one of the elements in a national development policy. I will not cross swords with the hon. gentleman on that because we have proven since how necessary a national development policy was and how development can be achieved by proper encouragement on the part of the government.

I am not going to take very much longer. The three most important features of the legislation are, first, maintenance of the public interest; second, the assurance that the wells of risk investment shall not be dried up; the exercise of important advisory functions under which the board will continue to mobilize statistics relative to power, gas, oil and the like and have up to the minute information in the public interest and, finally, the streamlining of the entire procedure.

I want to deal with one other matter, the question that has been raised as to delay. Under the Exportation of Power and Fluids and Importation of Gas Act exports of oil required a licence which in the case of oil pipe lines was granted freely on an annual basis. However, oil, unlike power and gas, moves fairly freely into world trade. There have been those in this country who have felt that some action should be taken in order to assure, in the event that the United States were to maintain its mandatory controls against the importation of Canadian oil, that there would be a market for Canada's oil and that Canada would have to take the necessary measures to open up a market in Montreal. The Leader of the Opposition (Mr. Pearson) says, why have you that power, which he says is only to be exercised under order in council? I cannot read the clause,

sir, but again it is a question of proclamation. Ordinarily certain statutes provide that the entire statute shall come into operation by proclamation of the governor in council. There have been many such statutes throughout the years. This is not order in council government. This is simply a provision that one portion, instead of the entire act, shall come into effect by proclamation.

The Leader of the Opposition says, why is this, what is the reason? I am reminded again of his words in his speech in Edmonton in the month of February, 1958, when he found himself in a most disagreeable position. Nobody knew what the Liberal policy was on this question and he proceeded to enunciate that policy. The wording of the Canadian Press despatch from Edmonton, February 27, is as follows:

> Lester B. Pearson has pledged to Canadan oil producers that as prime minister he would turn over the rich Montreal market to them if the United States continued to restrict oil imports from Canada.

I ask him, how was he going to do that? What were his plans? Were these but words? There is only one way in which it could be done economically and that would be to apply import quotas against those companies that today control the market in Montreal to a large extent.

Mr. Pearson: But not by order in council.

Mr. Diefenbaker: Oh, Mr. Speaker—

Mr. Pearson: Which you would do.

Mr. Diefenbaker: —how the unrepentant have become repentant. The hon. gentleman now admits in effect by that interjection that what he had in mind was the imposition of quotas. Well, anybody who advocates that—

Mr. McIlraith: No, no.

Mr. Pearson: Mr. Speaker, the Prime Minister (Mr. Diefenbaker) has quite completely misinterpreted me.

Mr. Diefenbaker: Oh, I see. All right.

Mr. Pearson: When I interjected "but not by order in council" I meant it would be done by parliamentary approval and not by order in council of the cabinet.

Mr. Diefenbaker: Mr. Speaker, I am glad to see this reformation on the part of the opposition but I remember the hon. gentleman's own speech in the pipe line debate dealing with the cutting off of discussion. It is only three years ago but I do not want to resuscitate that debate to the exasperation of my hon. friends opposite.

Mr. Hellyer: You should be very grateful the pipe line was built.

Mr. Diefenbaker: The fact is that in his Edmonton speech the Leader of the Opposition went on to say:

> If Washington will not modify its present attitude with respect to importation of Canadian oil—

These were hard words spoken from the heights of Olympus.

> —if the American government insists on placing restrictions on such importations and thus damaging and retarding the national development of a vitally important industry in a friendly neighbour country, then we, in Canada, will have to consider necessary steps to move oil from western Canada into the big market centring on Montreal.

Mr. Pearson: What is wrong with that?

Mr. Diefenbaker: I say that as a result of our action these controls were removed. We pressed strongly for their removal. They were imposed in July, 1957 and they would have been imposed by the United States administration regardless of what government was in power in Canada.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Oh, the record shows that.

Mr. Martin (Essex East): The 15 per cent diversion caused that.

Mr. Diefenbaker: Importation would have been prevented by the United States to the same degree that it was because the plans had already been made. Public reference has been made to that fact. We acted. We pointed out the difficulties and the impossibility of the position of Canada, with its joint defence relationships with the United States when oil, so necessary to our joint defence and to freedom itself, was excluded. We were able to secure removal of the controls. I will give you something of the picture of the initial effect of the action taken by us resulting in our being able to secure that action by the United States. As generally expected, it means an increase in exports of from 15,000 to 25,000 barrels of crude oil per day. That is a most important and valuable concession. I have before me the *Daily Oil Bulletin* for May 20, 1959 in which is set forth some of the changes that have taken place as a result of the strong action and strong objection this government took against the importation quotas in the United States. In this publication there is the following:

> Effective June 1, crude oil and products brought into the United States from country of origin by pipe line, rail or truck are freed from the restrictions imposed by U.S. import quotas . . . Today the first news of direct impact on western Canadian oil producers was released, when refiners submitted nominations to the Alberta oil and gas conservation board for crude to be delivered in June.

The article goes on to set out that in particular the Texas company has nominated for

its first Canadian crude for its plant at Puget Sound. The article states:

> Texaco has called for 8,000 barrels daily of pipe line fill for June, which will mean actual deliveries to its refinery will start by July 1. Shell Oil Company, whose Puget Sound refinery dropped Canadian crude for one year, resumed take in May with nomination for 12,000 barrels daily. Shell's nomination has been raised to 15,300 barrels daily for June. General Petroleum's Puget Sound refinery, a consistent user of Canadian crude, has nominated for 27,400 barrels daily in June, up from 15,350 barrels daily in May. Total Puget Sound nominations for June are 50,700 barrels daily, including the pipe line fill, compared to 27,350 barrels daily in May.
>
> For the United States midwest, June nominations for Alberta crude total 13,400 barrels daily, up from 9,300 barrels in May. International Refineries in Minnesota calls for 7,800 barrels daily, up from 7,300 in May. Bay Refining Company in Michigan calls for 4,000 barrels daily in June, after taking 3,000 barrels in April, none in May. International Refineries Incorporated, will receive 1,300 barrels in June compared to its 2,000 barrel take in May. West Branch Refineries, 300 barrels daily in June after taking that amount in April and none in May.
>
> The over-all Alberta nominations total 352,092 barrels daily, an increase of 51,272 barrels daily, or 17 per cent over the May nominations of 300,820 barrels.

Then it goes on to deal still further therewith. In other words, we have, as a result of the strongest protest that could possibly be made under all the circumstances, been able to achieve with the co-operation of the United States the removal of these quotas which did, in fact, play havoc with the oil industry.

Reference was made to the overruling power of the governor in council. How shocked the finer sensibilities of the Leader of the Opposition were when he referred to that. Let me point out the various boards that are in the same position. The most analogous is the board of transport commissioners, to which reference was made a little earlier. The authority granted to the national energy board is in no way unique. Section 53 (1) of the Railway Act respecting the powers of the board of transport commissioners reads as follows:

> The governor in council may at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the board, whether such order or decision is made inter partes or otherwise, and whether such regulation is general or limited in its scope and application; and any order that the governor in council may make with respect thereto is binding upon the board and upon all parties.

In other words, so much has been said about so little, and when you consider the similar powers with respect to the board of transport commissioners there is a complete answer to all these wails about the danger in the authority given the governor in council under this legislation.

[Mr. Diefenbaker.]

I want now to go to one other matter which has to do in particular with the province of Alberta. At no time have I, nor shall I, in any way participate in any degree in a provincial election. I think the Prime Minister should follow that course, and my predecessors have done so. However, when there are statements made in that election or prior to that election, and if those statements do not accord with the facts, then they deserve being commented upon. I intend to refer particularly to a statement made by Premier Manning of Alberta in which he says that one facet of the proposed national energy board is a threat to the further development of the oil and natural gas in Alberta. He goes on to say that if the board is set up there will be a delay in deciding on these applications for export which will be detrimental to the province of Alberta. He said that the processing by the new board will mean a delay of at least four or six months, and the delay is costing the province thousands of dollars, but there is an even greater cost in lost development.

I wish to say in regard to that, that his own words, as reported on November 7, 1957, give the reply. Following an interview in Ottawa Premier Manning said that he could foresee no delay if the international interests require early action by the federal government in approving export permits when new markets opened to Canadian industry by such permits are vital to continued development and expansion of the petroleum and natural gas industry and the national economy. Then, he goes on to say that Ottawa is derelict in its responsibilities in not pressing the major integrated oil companies to accept more Canadian crude for refining. In so far as that statement is concerned, I say to him, it is in your own province where these things happen. It is there that the control can be exercised and I suggest to him that the control, if any, that he has in mind lies in that province because the major companies receive their licences from that government and should have determined for them, by him if he so desires, the action which he asks us to take.

I intend to refer to the question of delay because the boot is on the other foot. There has been an effort made to shift the burden of oil and gas surpluses to this government. I want to make this abundantly clear now. As soon as this bill is put through, the applications of Westcoast Transmission Company Limited, Southern Gas Company Limited, and any other application will receive immediate attention by the board which will be set up immediately after the conclusion of this legislation. There is going to be no delay.

Mr. Winch: You already have your appointees in mind, I take it?

Mr. Diefenbaker: As I said, the question of export permits will receive immediate consideration. I am going to go to the record, because it is intensely interesting. The premier says we have delayed. Let me give the picture in so far as these companies are concerned. In so far as Westcoast Transmission Company Limited is concerned, its application for export was made on July 30, 1957. Hearings were held on December 10 to 13; December 16 and 17, 1957; January 13, 28, March 4 to 7, 1958; and permission was refused on September 15, 1958. The application was amended on December 9, 1958. The hearings on the amended application took place between January 6 and January 20, 1959, and there was no grant by the government of Alberta of the right to export until April 7, 1959. If it took the board in Alberta, including the original application and the amended application, from July 30, 1957 to finality on April 7, 1959, where is there any solid support for the suggestion of delay by this government?

These records tell the story as clearly as it is possible to tell it, and give the answer to the words to which I have referred. The Alberta and Southern Gas Company applied on October 18, 1957 to the gas conservation board. There were hearings on February 11, 1958 and from March 11 until March 31, 1958 and finally it was refused on September 15, 1958. Then there was an amended application on December 2, 1958. It was heard on January 6 to January 20, 1959 and was not granted until April 7, 1959.

If it took that much consideration, Mr. Speaker, to determine whether the conservation board of Alberta should decide in favour of exports, where is there any basis for the suggestion that a month and one-half or a little over should not have passed by without action on the part of this government? It might be said that the date of application to the Minister of Trade and Commerce (Mr. Churchill) was, in the case of the first company, December 27, 1958 and in the case of the second company, December 23, 1958. That might be another argument that could be used. That is true enough. But the fact remains that as yet no determination made by the national government would in any way hasten the export because action is required on the part of the federal commission in Washington. That action has not yet been determined.

There are other companies in the same position. There is the Canadian-Montana Pipeline Company. There was an application to the Alberta conservation board on December 2, 1958; sittings from January 6 to January 20, 1959; application granted April 7, 1959. Again we find the same position of affairs. The application to the minister was on December 24, but any determination on our part in that regard would in no way hasten the export without a decision on the part of the federal commission of the United States.

I agree that it is essential that these matters be thoroughly investigated. I am not complaining at all. It is for the government of Alberta to determine the time to be taken. What I am saying is that if the government of Alberta found it necessary to hold the matter up for the length of time it did so, we must certainly be given every opportunity to look fully into the matter in order to determine the course to be taken. A general examination has been made by the department. Again I come back to this point. In so far as those applications are concerned, they will be processed immediately by the board when it is set up. It will be set up immediately. There will be no need to wait for the mobilization of the board. The members of the board, from the evidence taken by the Gordon commission, the evidence taken by the Borden commission and the evidence taken by the conservation board of Alberta, will be in a position, I am sure, to determine fully the entire question.

With regard to export, it is provided that in the granting of export—and again I reiterate this—the quantity of gas does not exceed the surplus remaining after due allowance has been made for the reasonable foreseeable requirements for use in Canada. It is necessary to maintain that surplus for, after all, these resources are not replaceable. Once gone, they are gone forever. The result is that the primary consideration must be the assurance that Canada in the future shall not find itself handcuffed or in a straightjacket as a result of the failure on the part of those of us here today to realize the necessity for that degree of conservation which will assure to Canadians full development while at the same time maintaining for future generations the necessary supply without which Canada's industrial development will not be attained.

As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interests. With the implementation of this legislation, no longer will there be any suspicion that the Canadian consumer is being forced to subsidize the foreign markets or that Canadian industries will be asked to pay higher prices for their energy than those paid by foreign industries using Canadian energy. That matter is

extremely important. In the trade world in which we are living, with the conflicts that are accelerating from month to month in the communist trade offensive, above everything else it is necessary for us in Canada, if our international trade is to be maintained, to see to it that we shall not be placed in a position where our costs in connection with energy derived from Canada are greater to Canadians than they are to any other nation, however friendly that nation may be.

As I see it, the bill protects not only the industrial future of Canada but the producer and the consumer. It assures a maximum advantage from the available production of Canada of gas and of power, it being available, in so far as gas is concerned, for export when surplus to the needs of the Canadian economy in this and foreseeable generations in order to ensure for Canadians an adequate supply of the natural resource sources which are the heritage of this country, at the same time bringing to Canada the benefits that are confirmed by profitable export of surplus resources.

When we get into committee of the whole, if there are suggestions on those matters that reasonably will assure the achievement of these purposes, I hope they will be made. My attitude on this matter, as it was when I sat in the opposition, will be that what we are trying to do is to preserve the resources of Canada, to maintain the assurance that the resources shall not be uneconomically wasted and to bring about in this country a development by means of which our country may reach the destiny which its resources make possible.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I shall not attempt to follow the Prime Minister (Mr. Diefenbaker) in the emotional effusions he has placed before the house this afternoon. I shall, however, try to deal with the subject bearing in mind relevancy and reason. I quite share the view expressed by hon. members who have spoken previously, indeed on all sides of the house, as to the importance of the subject matter. I must say, however, that I regret that the Prime Minister saw fit to take so much of the time of the house in order to deal with his views on certain provincial governments. The Prime Minister, of course, is entirely free to do as he wishes in the provincial elections, as are private citizens outside of the house. But surely the provincial election in Alberta does not have to be fought in the chamber of the House of Commons. The delightful excursion into local politics in Saskatchewan on the subject of public ownership was probably interesting to some. But having regard to Your Honour's ruling yesterday and the decision given by Your Honour and, as I understand it, adopted by the house, that that was irrelevant to this bill, it therefore was not a subject for discussion here. The Prime Minister saw fit to make this delightful excursion into local politics in Saskatchewan, but however much one may dislike or like, as the case may be, the particular government in that fine province, it surely is not relevant to this particular bill.

While this rather lengthy discourse was going on this afternoon on all kinds of subjects, some relevant and some irrelevant, erecting a smoke screen in front of the real matters confronting us on second reading of this bill, I wondered what the purpose of the Prime Minister was. I still am not wholly clear what it was. I cannot help but recall, Mr. Speaker, that the Prime Minister made reference to the resolution stage and to how long the resolution was on the order paper. I would point out to him, as I had occasion to point out at the resolution stage, that the resolution did not contain the usual information that resolutions preceding the introduction of bills should contain. It left out all the relevant information, and was therefore of no value whatever by way of notice.

Then a rather extraordinary thing happened. The bill became available for public distribution through the distribution office shortly after twelve o'clock on Wednesday. It is true that certain members of the opposition were able to get copies on Tuesday immediately after first reading. The proposition was put forward on Tuesday night that the debate on second reading should be proceeded with on Thursday. That would be about 24 hours after the bill became available for public distribution. That is a most extraordinary procedure with regard to new legislation of this type, which is a bill involving some 100-odd clauses dealing with such an important subject. Then the Prime Minister intervened and had the matter stood over for one other day, and second reading was started on Friday of last week. So two days were allowed to elapse to enable the public to see the bill.

I have been curious about what it is that the government was seeking to hide. Why was it they were so concerned with not permitting members of the public, particularly those in the industry, to have an opportunity to receive copies of the bill and peruse it? It is particularly interesting to note, in view of the fact that for the two whole years since the government assumed

office in June 1957, they have refused to make any statement of policy on this important subject.

Mr. Pallett: What was the hon. member doing for those two years? Was he asleep?

Mr. McIlraith: The chief whip for the government seeks to make a personal reference but I will let it go by. The fact is that the government has refused, and in doing so has done considerable damage to the industry, to make any statement of policy on the subject of energy resources in Canada, particularly with reference to oil and gas and its exportation and importation, as well as other related matters. But it has now become clear, after listening to the Prime Minister, just what the reason was, after such a long delay in dealing with the subject, for the haste to get this bill through. Such is their determination to prevent the public looking at it and prevent their being heard.

In that connection, it is interesting to note also that throughout the time the Prime Minister took in his speech this afternoon he omitted to deal with the request made by the Leader of the Opposition (Mr. Pearson) that this bill, when it gets second reading, be referred to a standing committee where witnesses could be heard. He omitted to deal with that altogether. What are we to conclude? We can only conclude, I respectfully suggest, one thing, that after two years of no policy the government has been somewhat humiliated by having to come to the decision that the policies of the Right Hon. C. D. Howe in relation to the commercial aspects of this matter were sound policies, and that the recommendations of the Borden commission, which were so effective a smoke screen during the last election, were of no value at all and not to be used.

It is true that there are two important matters of principle on which new policies are asserted in this bill. One has to do with the advisory functions of the board, and the other has to do with the import of one of our trade commodities, oil. But on those two matters of principle it is interesting to note that while the government brought in a new policy it did not in either case follow the recommendations of the Borden commission.

With respect to that new principle concerning the advisory committee, it is interesting to note that the legislation provides that the board shall study and keep under review matters over which the parliament of Canada has jurisdiction in the field of energy. Energy is not defined in the bill before us. This wholly new principle of charging the board with responsibility and instructing it to study and keep those matters under review is a complete duplication in so far as the dominion coal board is concerned, the atomic energy control board is concerned, as well as other legislation dealing with fuel is concerned. It is, as I say, a complete duplication. It is not even in a form which is permissive, but it is a requirement that they shall keep it under review. This means, in addition to the waste and inefficiencies of duplication, that the industry will have to duplicate information and so on. In his remarks on second reading the minister seemed to indicate that he did not visualize duplication, yet it is one of the main principles of the bill which he has introduced.

Then there is another interesting matter. The first report of the Borden commission states that the national energy board shall have the authority to study, review, recommend and so on. In other words, the recommendation of the Borden commission in that respect is repudiated. The minister has given no explanation as to why he chooses to repudiate the report of the Borden commission on that point.

I have other matters with which I want to deal in particular. First of all, there is the question of export. I am sorry that the Prime Minister has left the chamber so quickly after speaking this afternoon, although I understand he had to leave and I think he has explained why, but I wanted to say something about his reference to the export provisions now covering oil. My point is this. He omitted to mention that when that legislation was enacted the situation was that we were relatively small producers of oil.

He omitted that altogether, but, more important still, he omitted those parts of the definition contained in the act which are relevant to his argument, that is, that "export" had reference to export through pipe lines only. That is the one subject which he omitted in his argument about export. In addition, of course, the export of oil began in wholly different circumstances before the development of the oil industry; we now have a margin available for export and the problem is one of finding markets. The hon. gentleman spoke about fluids and, of course, he did not read the definition of fluids, either. I regret that the effect of presenting his case in this way was to make his argument on that point of a nature which would be misleading to any person who was not familiar with the legislation on this subject, and I am sure that is not what he intended.

There is another principle in this bill which I find wrong and difficult to accept. It is to be found in clause 87 where the governor in council is, in effect, given power to control the export and import of oil. This provision

is offensive for two reasons. The first is that by the very nature of the operation of the oil business there would be sufficient time for legislation to be enacted by parliament in the event of any of the difficulties arising such as the minister mentioned in his introductory remarks. The hon. minister knows perfectly well that the construction of refineries is only undertaken when supplies of oil are assured. He knows that contracts for the supply of oil either through pipe lines or by other means cannot be entered into on a day to day basis. Thus there is no possibility of any of the evil things which the minister told us might happen at some dim and distant time in the future occurring so suddenly that parliament would have no opportunity to deal with them. I am one who believes that parliament should have the right to deal with matters of this kind, and I am at a complete loss, remembering the argument used by the Minister of Trade and Commerce (Mr. Churchill), the Prime Minister and the Minister of Public Works (Mr. Green) when they were in opposition, to understand how they could seek the kind of arbitrary power they are now seeking, and let this proposal get past the draft bill stage and be introduced into this house, having regard to all they said against arbitrary power in a situation which was related to a national emergency and to the national defence of this country.

Now the government wishes to take this arbitrary power and apply it to a trade commodity—a very important trade commodity—when there is no case at all to be made out for doing so. As a matter of fact it is interesting to recall the remarks made by the minister when he was dealing with this subject. He seemed to be very sensitive about it, because in introducing this bill on second reading he had this to say as reported at page 3929 of *Hansard*:

> Therefore we feel there is no requirement of national policy to be served at present by licensing exports of oil.

The hon. gentleman dismisses the matter of exports in that way, though there is, perhaps, some argument which could be made for licensing exports in the light of restrictions of imports by the United States. And in the next paragraph, the Minister of Trade and Commerce had this to say:

> The case with respect to licensing of imports of oil is different and more complicated. I do not propose to argue the case fully today. It would be premature to do so until the second report of the Borden commission in respect of this matter has been received and considered.

For the minister, having said that, to ask the House of Commons to give him the power of regulation is something which, I must confess, I find strange. Surely if there is no case to make for the possession of this power, and if it is premature to deal with the question, we should not be asked to pass the authority of parliament over to the minister and his colleagues in the cabinet. Surely that is a principle which is quite wrong and I am amazed at the minister putting it forward. In fact, I suppose one could use such words as "effrontery" to describe the conduct of a minister who comes before parliament and says: I do not propose to argue the case fully because it would be premature to do so until the second report of the Borden commission has been received and considered, but despite that I am asking you to give me these powers. That is closure with a savagery we have never seen.

Mr. Churchill: Nonsense. There is no closure in it at all. You were the proponents of closure in 1956, and you suffered for it.

Mr. McIlraith: The minister will not argue the case. He does not propose to argue it. He himself says he cannot argue it because the background against which the matter could be discussed is not yet available. Despite this, he says: give me the power. If that is not closure, then nothing is. It prevents any argument on this subject and I respectfully suggest that the question of whether there should be control of oil imports is a very important matter, and that if and when any government decides that controls should be applied, that is a matter which should come before this house for debate and decision. I am still old fashioned enough to consider that there is some virtue in debate in parliament on these matters and that our discussions throw some light on the subject and enable a better decision to be taken.

Mr. Churchill: I wish you had held that view in 1956.

Mr. Pickersgill: We wish you held that view today.

Mr. McIlraith: There is a marked difference between what was done in 1956 and what is being done today. In the case which the minister has in mind I would recall for the benefit of hon. members that there was three weeks debate on the legislation in question. This way, the minister is not going to permit any debate at all.

Mr. Churchill: That is not true. You can have all the debate you want for as long as you want.

Mr. McIlraith: Let me remind the hon. minister that he has been given a high responsibility of administering and directing the trade policy of this country. That is a very difficult and complicated task and one of great importance to the economy generally.

The hon. gentleman must surely have learned something from that foolish 15 per cent trade diversion policy put forward at one time. Here he is now seeking to put another product that has historically moved rather freely from country to country under the arbitrary control of himself and his colleagues without even a debate on it in parliament. I invite him to consider what he is doing in asking for such authority.

Let me remind the minister of one other thing. The Prime Minister spoke at great length today about making our resources available to the Canadian people which is an excellent sentiment but there is another facet to this matter. The availability of energy is basic to the development of our whole economy, there is no doubt about that at all. Allow me to place on the record a statement made by Mr. John Davis in a booklet entitled "Canadian Energy Policy" published by the Canadian institute of international affairs. At page 6 of the booklet we find these words:

—the basic difference—

Between Canada and the United States.

—is one of price. Even in 1958, consumers in Canada were paying between 30 and 50 per cent more for their energy than were their opposite numbers in the U.S.A.

The point I want to make out of that is that I hope the minister will bear in mind the cost of energy sources to suppliers and producers who are seeking to export. These things should be considered. The Prime Minister chose not to deal with this question in his lengthy remarks this afternoon. I suggest to the minister that he take another look at the principle that he is trying to assert in this bill on this point and that he consider withdrawing it.

May I also point out that this is the type of question on which we could get information if the minister would permit this bill to go to a standing committee where evidence could be obtained on all these points.

There is another thing I want to point out about the minister and his colleagues taking this arbitrary power. This is bad not only on the grounds of it being arbitrary power vested in the minister but it is also bad to provide import control in such a way that the first report of the Borden commission which is outstanding could be incorporated in it. Section 19 of that report which deals thoroughly with the subject provides rather drastic controls. I think the minister will agree with my description of them as being drastic. I commend section 19 to the attention of the minister. With that kind of comprehensive and burdensome control recommended in the report of the Borden commission and with the minister and his colleagues assuming this arbitrary power to deal with this subject, does the minister not see what could happen in places like the maritimes? Is anyone going to develop refineries in the maritimes to supply purely local needs? There are great problems like that which should be debated in this house at a time when the government feels it has any information that would warrant putting on import controls. Does the minister not see the damage that could be done to the development of this industry in assuming this power, damage that would be unnecessary and improper and that would have the effect of sharply increasing the cost of our energy in the meantime?

The Prime Minister this afternoon raised the same old cry about the former government not establishing this board and he referred to the Gordon commission report. The Prime Minister raised this matter in the house on January 15, 1957, when he asked the then minister of trade and commerce if he would agree to the suggestion in that report about setting up a national energy board. Mr. Howe in reply said that he had not considered the matter and that the decision would be one for the government rather than for an individual minister and that he did not want to give his opinion at that time.

Mr. Deputy Speaker: Order. It being five o'clock it is my duty to interrupt the hon. member in order to permit the house to proceed to the consideration of public bills in accordance with section 3 of standing order 15.

INTEREST ACT

AMENDMENT TO PLACE CEILING ON INTEREST RATES

The house resumed from Thursday, February 12, consideration of the motion of Mr. Argue for the second reading of Bill No. C-3 to amend the Interest Act and the amendment thereto of Mr. Roberge.

Mr. W. L. M. Creaghan (Westmorland): Mr. Speaker, the explanatory note of Bill No. C-3 reads as follows:

Section 2 as at present provides that there is no restriction as to the rate of interest except as provided by statute. The amendment limits the rate to 12 per cent.

This bill was the subject of a full day's debate on February 12 last at the conclusion of which the hon. member for Megantic (Mr. Roberge) moved an amendment as recorded at page 962 of *Hansard* in the following words:

That the bill be not now read a second time but that the subject matter thereof be referred to the standing committee on banking and commerce.

Following the amendment a number of hon. members participated in the debate and spoke in favour of the amendment. I want to go on record as favouring the amendment but I wish to say a few words on the bill itself in order that my expressed reaction will be available when the amendment goes before the standing committee on banking and commerce.

Naturally I am opposed to high interest. High interest in Canada is not justified on any ground. However, when we consider interest I think it is only fair that the word itself should be interpreted in the usual and customary way. Credit must be available to keep our factories in production and to make it possible for Canadians to maintain their high standard of living. Extended credit is necessary for the housing industry, for automobile manufacturers, household appliance firms and every other type of business in Canada. Credit is the backbone of the nation and without it millions of our citizens would immediately be put out of work.

The problem I see in the bill is who should have credit and at what price. We have various types of credit. The first and common type of credit is first mortgages. In my short time as a lawyer I have seen first mortgages bearing interest running from 4½ per cent up to 8 per cent and higher. If a maximum rate for any type of interest is to be fixed, let us not do anything that may encourage an increase in the interest rate of first mortgages.

Another common type of credit is bank credit. Credit is given to a customer depending on his credit standing and in many cases with security. I am a bit afraid if we pass the bill in its present form we may be opening the door to encourage the banks to demand an amendment to the Bank Act which will permit bank loans for normal purposes at a higher rate of interest.

I think it is only right that I should refer to the report made by the banking and commerce committee in 1938 so far as the word "interest" is concerned. I refer to page 418 where I find the third report of the standing committee with respect to its inquiry into small loans and small loans companies. At that page the following appears in the report:

> That the search for a "reasonable" rate of interest should have continued over the ages is largely due to the application of the word "interest" to dissimilar uses.

In the same paragraph the concluding sentence reads as follows:

> While under our present economic system we have imperfect competition, it is manifest that given a sum of $100,000 for investment the rates on its return will necessarily differ as to whether the sum is say: (a) invested in a block of Canadian government bonds, (b) lent to 50 land owners secured by first mortgages, or (c) distributed in lots of $200 to 500 people of nondescript occupations on personal security.

In explanation the final paragraph on the same page reads in part as follows:

> While loans on personal security are made for diverse purposes, as set out in our records, and contain different degrees of risk, they possess two common features that affect the element of cost, namely: "size" and "time", i.e., they are small loans made for short terms. Quite obviously the purchase of a block of 12-year Canadian government bonds requires little expenditure for investigation and none for supervision; investments on 50 farm mortgages, for varied periods, entail considerable cost for both investigation and supervision; while the investigation of 1,000 applications to effect loans to 500 people for a few months, with meticulous supervision, becomes expensive business when expressed as a percentage rate of $100 on a monthly basis.

I suggest it is only fair that all of us must remember that recommendation when considering this bill either in this house or before the standing committee. In the previous debate there was serious criticism of Eaton's and Simpsons-Sears. Both of these firms do business in my riding and I feel that the criticism was not entirely justified. The mover of the bill suggested that these companies charged up to 54 per cent on instalment purchases. He explained that on an instalment sale of $20 the customer paid a minimum of $2.25 and that this amounted to 54 per cent provided the loan was paid to the firm at the rate of $5 per month.

I have not made any effort to check the computation but I think when he refers to interest he is overlooking the important factor of other costs. Surely the firm is entitled to make some charge to a willing purchaser for the cost of staff salaries as a result of the office work entailed, bookkeeping expense, the cost of ledgers, the cost of collection and perhaps the cost of loans or financing in order to maintain inventories.

Mr. Winch: How much is reasonable?

Mr. Creaghan: I think reasonable costs are costs necessarily entailed in order to finance the sale. I do not suggest that the salaries of the clerks engaged in selling should be charged as an expense but I think that charging necessary administrative costs in order to supervise the loan is reasonable.

Mr. Winch: Is that what is 54 per cent?

Mr. Creaghan: The 54 per cent may apply to the cost of a $20 sale. One thing that I believe should be kept in mind is how much of the cost, about which the hon. member has been questioning me, is actually interest. I think the house should be more concerned about making finance houses, small money lenders and instalment vendors show clearly

the annual rate of interest rather than the monthly rate which we see advertised so often in their advertising "come-ons". I believe this rate should not include the costs I have just mentioned and others necessary to record a legal document in a registry office in order to protect the vendor. I do not think this type of cost should be part of the interest rate.

Another thing which I feel is related to the subject under discussion, and which I believe is in order, is the subject of loss leaders. Personally, I believe they are related to the subject of interest. People under a free enterprise system like to take advantage of a bargain, and in their anxiety to take advantage of a loss leader, which is strictly a gimmick of the retailer—

The Acting Speaker (Mr. McCleave): Order. I shall have to ask the hon. member how he would relate loss leaders to an act to amend the Interest Act which is before the house this afternoon.

Mr. Creaghan: The reason I think it is related is that loss leaders tempt people into a store. They sign credit contracts, and when they sign these contracts they are, in some cases, paying exorbitant rates of interest, etc.

Mr. Winch: Good for you; you have finally come to it, have you?

Mr. Creaghan: They pay exorbitant rates of interest or selling costs which are not all true selling costs. In any case, whatever they pay for, it is related to the subject because the result is to place that many more contracts into existence, and they are reflected in the total millions of dollars of credit extended to the people. This leads people to buy things that they cannot afford, and in many instances the loss leader type of contract is responsible for a man getting himself into debt to 15 or 20 creditors and eventually arriving at the door of the moneylender.

Since the end of the war the government has done a lot to help the home owner. It has done a lot for the farmers and fishermen, and we all hope it will do more. Through the creation of the industrial development bank it has done a lot to help small industry. What has it done to help the automobile industry? I suggest, Mr. Speaker, that the automobile and truck industries have contributed more to the growth of the small loan companies and the moneylenders of this country than any other commodity. Why could the government not consider the creation of a crown company to make money available at reasonable rates of interest to those people who are employed in the trucking industry? This would make it possible for the small loans companies, the finance companies and other types of moneylenders to have more money available and if they had an excess of cash I am sure the rate of interest, about which we are concerned, would automatically come down to a more reasonable level.

The high interest rate is the main cause of inflation. This bill itself would not curb it. A few years ago if a man was in debt he might lose his job if his employer found out about it. I have had examples of people having garnishee orders served upon them, and as a result they advised me that if the judgment were not paid in full the employer would not keep them on the payroll. The finance companies have, in this one instance in my opinion, done quite a service to the public in permitting some people to consolidate their debts. This has given these people some peace of mind.

My main criticism of the finance companies is the type of advertising they put out. In today's *Globe and Mail* there is an ad which I saw at five o'clock. It is in the classified pages and reads:

Second mortgages, $2.49 interest weekly—

Then the words, "for every thousand dollars you borrow", are in small print. There follows the name of a certain mortgage company in Toronto. If the loan remained in existence for a year, this rate of interest on second mortgages would be in excess of 12½ per cent per thousand dollars, on what might be considered a fairly secured risk in the city of Toronto. If it is necessary to pay up to 12½ per cent for some types of second mortgages which are secured debts, how would it be possible for finance companies to make loans at the suggested rate of interest? I believe that these advertisements must be regulated. I do not believe it is proper to advertise "Money for loan" in large black type, and then follow it in small type with the words, so much per week for every thousand dollars borrowed. I believe that the house should consider the necessity for regulating the type of advertising, and I suggest we should seriously consider making it compulsory to advertise an annual rate of interest as opposed to a weekly or monthly rate. In this way it would be possible for the average person to readily compute what he would be paying for the money borrowed, and at the same time make it convenient to compare the rates demanded by various companies.

In addition, Mr. Speaker, I believe it only fair that finance companies should be permitted to charge a rate over and above what second mortgages demand, and over and above what the banks request. In my opinion the house should give serious consideration to making it possible for the finance companies and moneylenders to itemize their

costs separate from their interest income. These companies maintain properties, pay office expenses, and a great many people throughout this country are employed by them. I think that the cost of the loan should be itemized separate and apart from simple interest per annum. At the present time the various financial companies, small moneylenders and retail credit vendors, have outstanding nearly $2 billion loaned to the people of Canada. This has done a good deal toward helping provide employment and keeping the industries of the country going.

As I said earlier, I would encourage the house to give serious thought to regulating the loss leader type of merchandising; to give some thought to recommending to the government that truckers, who cannot borrow except through finance companies, be entitled to borrow money, as their fellow Canadians do, from crown corporations at reasonable rates of interest; and that some regulation should be introduced governing the type of down payment that vendors in this country must insist upon. This would discourage people from buying things that they cannot afford. I know that it looks relatively easy to put out a dollar or two dollars a month to buy a certain article or piece of household equipment. However, when you add these payments on to the payments to which people have been previously committed for other types of merchandise, it does not take long before people have become indebted to 15 or 20 creditors, which makes it impossible on pay day to give each and every one of them 50 cents or a dollar.

All of these suggestions which I have mentioned would automatically reduce the volume of business that the moneylenders are doing. As I said before, if their business is reduced, they will have an excess of cash available and money will be lent by them at more reasonable rates.

In conclusion, I wish to put on the record a statement that, in my opinion, the finance companies and the moneylenders of this country have done a service to this country. I refer to an editorial which appeared in *The Albertan* on Wednesday, April 4, 1956. This editorial is long but I intend to put only a couple of paragraphs on the record. It is entitled "The Small Loans Business" and it reads in part:

> The C.C.F. members of parliament have been opposing two private bills having to do with small loans companies. One would give a company already in business a more attractive name, the other would incorporate an American company which happens to have the national president of the Liberal party as one of its dummy directors.

Later on the editorial states as follows:

> The Albertan has no sympathy with the practice of levying exorbitant interest. We acknowledge the seeming injustice of people most desperately in need of money having to pay the highest rates of interest.

With that paragraph I am in complete agreement as, I am sure, are all members of this honourable house. The editorial states further:

> Banks and mortgage firms offer money at reasonable rates. If the borrower can't qualify for a loan there, in most cases he could have been an active member of a credit union and borrowed from it. Credit unions more and more are meeting the need for small loans, and still they have a long way to go before they have reached the limit of their possible expansion.

The concluding paragraph of the editorial states as follows:

> We doubt that there is any more moral justification for government controls on the price of money than on the price of housing rental, the price of automobiles, or the price of pickles. Anyone who objects to the price someone else is charging is free to offer that commodity at a lower price.

In conclusion, Mr. Speaker, I wish to state that this editorial expresses in most certain terms most of my thinking on this important bill.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I am sure all members of the house are in sympathy with the intent of this bill. The problem of usury has faced governments and peoples down through all written history. In his introduction to the bill the sponsor of it stated that this bill would control part of the area of small loans. He pointed out that as to small loans companies the ceiling on their loans on which control was exercised had been raised from $500 to $1,500. This was done under the former minister of finance, Hon. Walter Harris.

I spent some time going back and reading some of the statements made during the sittings of that committee. I found many of them to be pertinent to the bill that is now under consideration. It was pointed out that the degree of risk inevitably was reflected in a higher rate of interest; that if a person is not a good credit risk, he pays more for his money. The problem, of course, is how to legislate people into dealing prudently with their resources or how to legislate people into being good financial managers of the resources they may have. I believe that is a problem that would stick even our friends in the C.C.F. group. It comes back to human nature.

The hon. member for Assiniboia (Mr. Argue) makes a passing reference to this matter as reported at page 949 of *Hansard*. He states as follows:

> Canadians need credit. They have to have credit, and when they have to have credit they are forced to pay these fantastic rates of interest. I am suggesting that the government should take action in this field, and should study this whole question.

With all the good will in the world towards the intent of this bill, Mr. Speaker, may I say that the statement made by the hon. member is certainly open to question. Canadians need credit. Everybody needs credit. Our whole business economy is fashioned and based upon an extensive credit system. But we need credit within the resources which we have and which will allow us to repay the loans we receive. If a person is making $4,000 a year and that is the extent of his resources, I doubt whether that person would be a good credit risk for a loan of $40,000 or $50,000.

I well remember that, in canvassing in the election of June, 1957, I met a lady who said to me, "Why can't you do something about these loan sharks?" She was referring to the way in which the future of borrowers is mortgaged to the point where they have no reserve whatsoever for any eventuality that might come up, where they are prisoners of their own enthusiastic buying. After discussing the matter for a little while, she came to the conclusion that they would work their own way out of it, that they would never get caught again but also that this tale of their experience would not help their neighbours who would have to find out for themselves.

I know of other cases about which I have been told where a cash sale has been refused at the price originally offered because the salesman expected that it would be a time payment matter. It was quite clear that the interest rate would be quite high, and that is where the profit of the sale lay.

The advertising mentioned by the hon. member who spoke previously can be seen when you walk down the streets. It seems to me that the largest customers of the neon companies are the loan companies because, wherever you look you find there is one advertisement after another staring at you. Their advertising is to be found in the busses as well as in the newspapers. But at the same time these people give a useful service in the way of advancing credit which the person receiving that credit could not normally secure.

Credit unions have been mentioned. I helped to found a credit union. Over the years I have periodically had loans from that credit union and I paid 12 per cent interest. It is true that I obtained a rebate but the rebate was not very much. There is little risk to a credit union. They know everybody in it. The greater part of the loans they make are secured. Nevertheless they still are obliged to charge that interest rate in order to break even. This is a non-profit organization.

We have heard from the superintendent of insurance of the success of the Bank of Nova Scotia small loans plan. I believe the Bank of Nova Scotia was the first chartered bank to go into that field, but even there you pay 12 per cent. I am not arguing that there is no need for control. I would say that the interest rates as set up in the present Small Loans Act are reasonable, because those interest rates reflect the fact that small loans are more expensive to carry and operate than large loans. As the hon. member for Assiniboia undoubtedly knows, on the first $500 the interest rate is 18 per cent, and after that, from $500 to $1,500, it drops to 12 per cent. The intent of this bill would be to raise that ceiling indefinitely, and on that basis the principle is good because the larger the loan the less money it should cost the loan company. However, the only result will be that those loan companies will have become more selective and will have to refuse credit, which perhaps may be a good thing.

I think the hon. member for Assiniboia is certainly not reasonable in his statement which I have referred to, where on one side he says there should be almost unlimited credit, and on the other side he says interest rates should be controlled. Those two things just do not go together. That is another reason why the amendment to send this bill to a committee for further study is a proper amendment. Because a few years back it was wise and right to raise the ceiling to $1,500, perhaps the proper course is not to take the recommendation of the hon. member for Assiniboia in toto but maybe that after study the upper limit should be raised to $2,500 or even $3,500, I do not know. But those facts can be brought out if this bill is referred to a committee to thoroughly investigate the situation.

I do wish to refer to the remarks made by the previous speaker in regard to misleading advertising. I believe that is a subject which has been brought up in the house before and it is pertinent to this particular measure. Misleading advertising in regard to small loans is the sort of thing where you get the small print, where the rate is stated as $10 or $100 and you do not get the rate of interest you are paying per annum, because the original amount of the loan starts to reduce one month later and the interest rate which you may appear to be paying simply does not reflect the true interest rate which in fact you are paying. I think there is room for control there, and I believe further control is needed in the field touched upon in the hon. member's

bill. I do say that in correcting one evil we may jump into or subject ourselves to worse evils.

The whole point, as I suggested at first, is that you cannot legislate people into being good financial managers. If a person wants a loan and there is a law which says he cannot have it, there are always people available to help him break the law by means of turning back a certain amount of the loan and the face value of the loan does not reflect the amount of money he receives, and so on. The fact that the law can be broken is no reason why one should not be there. But whatever law is enacted, it must be enforceable. It must have safeguards in it and it must be reasonable.

I would like to try to find words properly to describe how I feel in regard to the practice of holding people up with fantastic interest rates, and on top of that to make tremendous discounts on the face value of a mortgage. Perhaps a person should not take out a second mortgage, but in many cases people are forced to. They must have a house to live in because they have children and they cannot rent a house. In that last respect if we had more rental accommodation or had some law which compelled landlords to take in families, perhaps matters might improve. Therefore this person is faced with the necessity of acquiring a basic essential of married life, namely a home. If he never makes another mistake in his life, or never has to buy anything else on terms, that one purchase can put him behind for 15, 20, 25 years, because of the bonus which he may have to pay if he has not enough money to make a big enough down payment so that a first mortgage would carry the balance. In that field I have thought that Central Mortgage and Housing Corporation might perhaps enter. It may be a field which should be considered entirely separately from the particular point brought out by the member for Assiniboia.

In conclusion, Mr. Speaker, I am sure no hon. member wants to see unreasonable interest charges and bonuses imposed on people because they have to have something. We believe that where it is possible the government needs to control the situation. Such a committee I think might well investigate the legislation which other countries have on their books, for example, Denmark, Norway, Sweden, the United Kingdom and the United States. But in the final analysis, any legislation which is evolved must be legislation which is fair and which is enforceable.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, this bill has been before the house a number of times and we are now debating an amendment that was moved to the bill on February 12. The amendment reads as follows:

> That the bill be not now read a second time but that the subject matter thereof be referred to the standing committee on banking and commerce.

Although different attitudes are taken from time to time regarding an amendment of that type, it is usually considered that, at least for the time being, it sets aside the bill under discussion and refers not the bill itself but the subject matter thereof to a committee. Mr. Speaker, we have seen a lot of tears—I do not know if they are crocodile tears or not—being shed with regard to the welfare of Canadians who have to pay exorbitant rates of interest. Some members when discussing this bill have complained of the one per cent figure, or the rate of approximately 12 per cent per year. They have said: "Where did you get the figure? Did you pull it out of a hat? Why this figure? Isn't it too low? Won't it cause the companies too much hardship if the rates are reduced to that amount?" Mr. Speaker, I do not think I got the figure out of a hat. It is the rate charged by credit unions in this country, the maximum rate. A great many of them charge less, but as far as I know it is the maximum rate which is charged by credit unions. The credit unions have done a very excellent type of business. They have made a good saving for their customers. They have grown, and I think it is the very maximum rate which should be allowed at this time.

Although the adoption of the amendment before the house would not result in any heady progress with this matter, I do suggest that the very least hon. members opposite should do would be, first of all, to permit a vote on this amendment and, second, to support it. Then they will not be embarrassed, if indeed it is an embarrassment, by having to decide whether or not they think the 12 per cent figure is a correct one. They would be making it possible for the banking and commerce committee of this house to study the question of interest rates and to study the subject matter of the bill, and, I hope, after studying the subject, to take action which would result in the lowering of interest rates.

I have in my hand the Toronto *Star* for today. I sent for it a short time ago, and I noticed on the front page a heading: "Demand Ottawa Probe 50 per cent Mortgage Bonus". The article reads:

> Richmond Hill council last night called for a federal judicial inquiry into the practice of some mortgagors charging up to 50 per cent bonuses for second mortgages in new town subdivision. Coun. James Haggard explained that to get a second

mortgage of $5,000 some homeowners must pay an additional $2,500 as a bonus. This must be paid back with interest.

A resolution calling for the inquiry was passed unanimously. Copies will go to the Ontario minister of planning and development and the Toronto real estate board, council decided.

All Metropolitan Toronto municipalities will be asked to support the Richmond Hill resolution.

The passage of the amendment to this bill will enable this inquiry to proceed immediately in Ottawa before the banking and commerce committee and we could find out whether this nefarious practice, this legal gangsterism which is referred to in this article, should be allowed to continue unchallenged in this country. By talking about this measure and preventing it from coming to a vote, hon. members opposite must accept responsibility for these abhorrent practices being continued. I think it is a disgrace to the free enterprise economy which hon. members opposite champion so strongly that Canadian homeowners should have to pay a bonus on second mortgages reaching the staggering amount of $2,500 on a mortgage of $5,000.

If hon. gentlemen will vote on this amendment, and if the amendment is carried, it will not cause political embarrassment. Surely the whip will not be hard on them; surely the whip will not chastise them; surely, even the Minister of Finance (Mr. Fleming) will not instigate disciplinary action, because all this would do would be to allow a committee of this house to hear witnesses, take evidence and see whether or not in the opinion of the committee action should be taken in this regard.

I challenge hon. members opposite to quit this farce of talking out this measure time after time, this farce of preventing, by talk, members of this house taking a decision and, by talking out the measure, making it impossible for people in this instance and in many other instances who wish to obtain homes to obtain those homes, and obtain second mortgages, unless they pay staggering and fabulous rates of interest.

The rates of interest charged in this country are not going down. The present government, by its high interest policy, is promoting, aiding and abetting a continuation of this type of gangsterism in the interest field. The government has allowed the rediscount rate to reach the highest interest rate in the history of this country. The tight money policy of the former administration was just a joke compared to the rigid high interest policy of the present administration; apparently there is no limit to be placed upon it. My appeal today is for the government to allow this amendment to go to a vote so that members of parliament may study this question. Then let us take action in the interest of the ordinary Canadian to reduce and limit these fantastic interest charges.

Mr. N. L. Spencer (Essex West): I was surprised to hear the sponsor of this bill re-entering this debate to support the amendment made to his motion.

Mr. Argue: Better than killing it by talking it out.

Mr. Spencer: No one has spent more time in talking about bills and talking a lot of nonsense than has the hon. member who sponsors this measure, and I do not think he made any contribution toward furthering the passage of this bill by the remarks he made, if he sincerely intended that it should pass.

I think it is obvious that there is a general feeling in this house that some kind of control of interest rates should be adopted. This bill, when one considers it, is an all-embracing bill in that it defines and covers not only interest as we understand it but all manner of charges including discounts and penalties. I do not think that we can, by a simple formula of specifying a rate per annum based upon the size of a loan, arrive at a figure which would be fair and reasonable and just in all circumstances.

I think that this bill has created a forum for the making of a lot of extravagant and unjustified statements. I have no sympathy with so-called loan sharks, but I do not think it is fair to those who are engaged in the legitimate business of lending money to classify them in a general way of being loan sharks. Neither do I think it is proper for members of this house to rely on newspaper statements and accept those statements as being full statements of all the information on those subjects, and to refer to those involved in terms of gangsterism. I know that in this country we do have elements of gangsterism, but they are certainly not confined to the interest field as the hon. gentleman would have us believe.

This question has two sides like so many other questions and issues that arise from day to day in our daily lives. I think it is generally agreed, as is indicated by the remarks of those who have thus far taken part in this debate, that there is a need for legislation for regulating interest and other charges of a like nature such as commissions, bonuses, investigating charges and perhaps recording and renewal charges, but when you take into account penalties, fines and charges for defaults as is the case in this bill then you are, of course, stepping into a realm of figures just as fantastic as most of the figures we have heard related in this house as being

charges which are unconscionable and unreasonable. Over the years we have accepted penalties as being reasonable but when they are applied and determined on the basis of an annual rate they become unreasonable.

We know, for instance, of utilities that impose a penalty for non-payment of bills which is applied on the first day of the default. It is true that the penalty may be the same whether the default continues for thirty days or even longer but the fact remains that the penalty is imposed on the first day of default. When that is determined as a rate per annum then we enter the realm of percentages ranging from 20 to 50 per cent per annum.

The bill also deals with discounts. Here again we find that premiums are granted for prompt payment. When those are projected into percentages per annum we again find that we reach fantastic rates.

Another objection I have to the bill which I do not believe could be cured by passing the amendment and referring it to the banking and commerce committee is that it is deficient in many respects. I have no doubt that what is in mind in connection with this legislation is the small loan. Of course, we have some legislation in existence dealing with the exacting of interest and maximum rates of interest on small loans. I believe that if we are going to legislate in respect of loans then there should be some limitation in connection with loans on real estate as well. Of course, when we consider that factor we come to the question of security. That again is something not taken into account in the bill now before the house and no attempt is made to spell it out.

Everyone knows that the element of risk has a great deal to do with interest. That may be manifested in many ways but it does obtain very generally in the money market and in the security market.

No one would suggest, for instance, that a loan of a modest amount of money, perhaps to the extent of 25 per cent of the value of a first class real estate property and secured by way of a first mortgage should carry with it a rate as high as if the loan were up to 75 per cent of the value. Instead of criticizing and casting aspersions upon the government of the day in so far as its record in the field of loans is concerned, I think the hon. member for Assiniboia (Mr. Argue) might well have congratulated the government and also might well have mentioned what I consider to be a most significant statement made today concerning the intention of the government to keep the rate on first mortgages down to 6 per cent per annum. That is of much more significance than all our time-consuming debates on small loans.

[Mr. Spencer.]

I know of instances where rates far in excess of 6 per cent are now being exacted on mortgages and I believe the average rate is about 6¾ per cent. When that is projected over a period of 30 years the borrower really becomes burdened. There is no great burden in his having to pay anywhere from $1 to $5 in interest even though that may represent interest in excess of 12 per cent per annum but when a home owner has to pay an annual rate of interest in excess of 6 per cent which I think should be the maximum rate payable on a home loan and when one considers the length of the term of the mortgage one realizes that it runs into substantial sums of money.

The Acting Speaker (Mr. Rea): It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

The house resumed consideration of the motion of Mr. Churchill for the second reading of Bill No. C-49, to provide for the establishment of a national energy board, and the amendment thereto of Mr. Peters.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, when this debate was adjourned for private members' hour I was dealing with some of the remarks of the Prime Minister. I had been seeking to deal with his charge that the former government should have provided an energy board and his reference to it being referred to in the Gordon commission report on Canada's economic prospects. I was dealing with his having asked the then minister of trade and commerce on January 15, 1957 whether he was going to set up a national energy authority and his statement that the minister had replied that he had not considered the matter, that the decision would be a matter for the government and he did not care to express an opinion then. It was at that point in my remarks that the interruption in this debate occurred.

I want to continue my argument by pointing out that the Gordon preliminary report had been tabled on January 10, 1957, some five days earlier. It had been made available to the government either in December of 1956 or early January of 1957. Therefore up to that time there had been no opportunity to consider the matter at all. I also

want to point out that the report made reference to a special study being carried out with regard to Canada's energy prospects. That study bears date of March, 1957, and was tabled in the house on November 22, 1957, after the change of government. That report would presumably be a basic document in considering the Gordon report recommendations on this subject. Therefore, bearing in mind that parliament was dissolved on April 12, 1957, it was wholly misleading to the house to suggest that there was an opportunity for the previous government to consider the Gordon commission report on the subject of energy and to deal with it.

Reference was also made to Mr. Lesage, then minister of northern affairs and national resources, and it was asserted that he had been opposed to the setting up of such an authority. In that regard reference was made to a debate but the Prime Minister gave no page reference to *Hansard* for the then minister's speech. We were left without being able to identify the exact page when the Prime Minister made the assertion. It now turns out that the matter under discussion on that occasion was the whole subject of the treatment of national resources and it was not related to the subject of a national energy authority at all. Nowhere can I find any statement by Mr. Lesage which would indicate opposition to a national energy authority being set up.

Then there was another part of the remarks of the Prime Minister to which I think some reference should be made. I refer to his reading of the criteria set out in the bill for deciding whether or not a licence or certificate should be granted. Perhaps I can deal with that point very quickly. He might just as well have read the criteria from notes he might have got from the board of transport commissioners as to the procedure to be followed in dealing with pipe line applications under the old legislation. They are all there. There is nothing new or changed in the bill in that respect although there is one change in the bill in that it omits certain former legislation that had to do with the price of gas exported from Canada being not less than the price of gas sold in Canada.

Another argument made by the Prime Minister was rather interesting. He took great credit for obtaining the removal of the mandatory controls or quotas applied by the United States against the export by Canada of oil to that country. He is not modest in taking credit for some of these things but there are those who think that maybe his policy involving the famous 15 per cent trade diversion had something to do with causing such mandatory controls to be imposed in the first place. In any event, granting him credit for having such influence with the United States government as to have that government remove these quota controls, I think his attention ought to be drawn to an article in the Montreal *Gazette* of Tuesday, May 26, 1959. That article is headed, "Crude Oil Exemption Political Convenience". Perhaps I should read part of the article. I should like to read it all but time does not permit me to do so. It reads in part as follows:

> The possibility of any substantial increase in American imports of Canadian crude seems more remote than ever, despite the exemption of Canadian crude from import quotas and the encouraging 20,000 to 30,000 barrels daily increase scheduled for Puget Sound refineries.
>
> The reason for this gloomy assessment is found in section 2, paragraph (c) (11) of the presidential proclamation exempting Canadian oil from the quota. The substance of the paragraph is that the quotas will be re-established if Canadian oil begins to flow in large volume.
>
> It looks as if all the United States has done is to remove a political source of irritation without forfeiting the economic advantages to its producers of the quotas.
>
> Canadian oil, it should be remembered, seldom, if ever, was imported into the United States to the full extent permitted by the quotas. The recession was most often cited in explanation for this. It is now quite apparent other considerations were at work.
>
> The most obvious of these has been the pressure upon American-based international oil companies to keep facilities, refineries, pipe lines and tankers designed for off-shore oil running at maximum capacity.
>
> The initial imposition of quotas was followed by elaborate swap-out arrangements between these companies and between them and American independent producers and refiners, all directed towards concentrating import volume where it would yield the most profitable return.
>
> Canadian oil, while cheaper than American oil in some border markets and in the American northwest, had small attraction to American refiners in these circumstances. The subsequent exemption of Canadian oil has made little difference.

There is a lot more to the editorial but the point I want to make is that the Prime Minister's remarks on that aspect of the subject were something less than complete and put a better picture on the position of Canadian exporters than the facts warrant at the present time. Then the Prime Minister went on to say that the bill—

Mr. Lambert: Would the hon. member permit a question? Would he not agree though that this has removed a very definite trend in the other direction?

Mr. McIlraith: I have a very short period of time left. I do not want to prevent the hon. member from asking a question because I know he is interested in the subject. The answer is that undoubtedly it helped remove a handicap to our export volume. Of course it did. The Prime Minister then went on to indicate that the bill removed the suspicion

that Canadian industries will be asked to pay a higher price for their energy than that paid by foreign industries using Canadian energy. At that point in his remarks he was referring to gas. I want to point out just how loose that statement is.

How is he going to control the price that foreign industries have to pay for the natural gas they import from Canada? A large public utility in the United States, using vast quantities of gas from a number of sources, may very properly and very probably be taking a small percentage of its total quantity from Canadian sources, and the Canadian government has no control over the retail price charged by this company to its consumers, especially if the bulk of its supplies come from sources within the United States at a lower cost because of proximity or other reasons.

What he undoubtedly was seeking to refer to was his hope that there would be no export at prices lower than those charged to Canadian industry. However, that is quite a different thing from what he said in his argument. I point that out to show how loose his argument was this afternoon, and how misleading it could be.

Mr. Speaker: Order; I am sorry to interrupt the hon. member, but his time has expired.

Mr. A. R. Smith (Calgary South): Mr. Speaker, it is not my intention to take a great deal of the time of the house in adding to the many remarks and observations which have been made during this debate and which I think we will all agree have been, for the most part, of a constructive nature. I have had occasion to express my views before in relation to the problems of import and export, so there is no need to repeat them except as they apply directly to this bill.

It has occurred to me though, Mr. Speaker, in listening to the discussion thus far that we have reached a point in the motion for second reading of the bill presented to us where those of us sitting in our seats in the house or people sitting in the galleries might find it confusing to try to ascertain exactly what we are endeavouring to determine in so far as the objectives of an energy bill are concerned. I fully recognize that I am not the last speaker, nor am I setting myself up as an authority to determine how to summarize the debate thus far. It would, of course, be suggested by more than one member on the opposition side that my view would be prejudiced. However, if for no other reason than to try to clarify my own thinking, I propose to try to separate the various arguments in their generalities so that we can come to some basic conclusions on which to either agree or disagree.

I can do no better than to start with the argument of the hon. member for Villeneuve (Mr. Dumas), who opened the debate from the standpoint of the opposition. I join with the Prime Minister (Mr. Diefenbaker) who complimented him. I think the Prime Minister described it as a thoughtful contribution, and I would add that I think it was generally objective. His basic objections, as I understood them, were that there was really no difference between this piece of legislation we have before us and the situation in which the petroleum and natural gas industry found itself in the past.

You will recall, sir, he then went on to say that we, as a government, had rejected or repudiated the Borden commission recommendations. There was, of course, some inconsistency there because one of his colleagues who followed him pointed out that the government had accepted some 23 of the recommendations and had rejected only 11. The point of his argument was that we had not employed—these are my own words—some of the tired, old Liberal ideas that had been left on the shelf for years. We had not put them into force as part of this energy bill. He quoted at length from Mr. John Davis who did a very fine job in the interests of the Gordon commission. He suggested that the government had not shown sufficient speed because they had sufficient material to establish an energy board, had they used the Gordon commission as a basis.

I wonder if the hon. member would reflect, first of all on the fact that this commission held its hearings some time ago, and certainly some time before the rather extreme changes which occurred in the economics of the industry. I believe that Mr. Davis might concede that he did not make as extensive a study or examination as Mr. Borden and his colleagues, and certainly his report would have needed updating. More important, the problems that he was asked by the commission to investigate were much broader than those objectives of the Borden commission, upon whose recommendations this energy bill is based. From one side of the house we have heard criticisms to the effect that the government has introduced more of the recommendations than it should, and from others we hear that it has not introduced enough.

Perhaps it is important to note that this government did not ignore the Borden royal commission recommendations as has been the habit for many years past of the previous governments, but rather it took the best from this report and rejected the balance. After all, that is their responsibility. I have, on more than one occasion, joined the critics in suggesting that Mr. Borden and his colleagues, first of all, did make a fine contribution to energy

resources in Canada by establishing a vast array of material for the development of a national oil and gas policy. I have also said that many of their recommendations, as I intend to show, have been adopted in this bill and will be beneficial, not only to the industry but to the consumer as well. As I have had occasion in the past to tell my friends in the oil industry, this commission was not established for any one particular group. It was established for the benefit of the public, regardless of whether they were developers of resources or just consumers.

The criticism which I have repeated many times in relation to the weakness in the Borden commission report—I think it is a human weakness—is that it fails above everything else in some of its recommendations to recognize that this is a business which involves great risks; great capital investment is required. I have been endeavouring to impress this on the house since I was first sent here. When one recalls that this industry spend a million and a half dollars a day in looking for these resources, it is quite obvious it is an undertaking that involves substantial capital and the risk factor is extreme.

I am going to leave this question and go on to the principal differences which the hon. member for Villeneuve says exist to the detriment of the industry. First of all, a board was established, and the Prime Minister dealt with that. I feel I certainly could not add to his remarks. A board was established, and that is something of which we should not lose sight.

Second, its advisory functions, I think, have not been given the weight or have not been put in the perspective in which they should have been put by many of the hon. members who have spoken. We hear to a considerable degree some of the comments with regard to the problems, first of all, in relation to the federal power commission of the United States and the problems of equating the amount of the reserves which are going to be required for Canadian consumption. These must be related also to the gas and oil that we anticipate to find, and the research that must be continually done in co-operation with the provinces. These are functions of an advisory nature which have never been carried out before and which will be carried out by this board. This is a second difference between what today we may look forward to and what has happened in the past.

A third rather distinct difference between what this bill proposes and what we have seen in the past is the simplification by which an applicant can appear before an agency of government to determine whether he has the right to construct a pipe line, and equally important whether he has a right to export a hydrocarbon product. We know that under the old process it was necessary first of all to appear before the board of transport commissioners in order to obtain what we call a certificate of public convenience and this was given to the applicant who if successful received consent in the form of a certificate. He then had an additional problem of appealing through a second act for power to export. This gave him a licence, provided the minister conceded that this was acceptable. It was partly a discretionary power however.

I suggest that had this discretionary power been removed, had the present energy board been in force some three years ago and had the right of a public hearing been granted to Trans-Canada Pipe Lines in their initial application for an export permit, we would never have seen the situation by which this company eventually was asked to bring into the house an unprepared case and then drag out a hearing before the House of Commons in the pipe line debate. I am not suggesting that parliament should not have had that opportunity. But here we saw the minister of that government attempting to negotiate a contract which should have been the right of a public board, a body that would have had the opportunity to weigh the evidence, that would have been able to call witnesses and have them examined, and then to produce a finished recommendation on which the representatives of the people could then make a determination whether it was in the best interests of the people to grant a permit. It would have then been unnecessary to drag this long and extended application through the parliament of Canada. That is indeed a distinct difference between what we will see today and what has taken place in the past. But let me go on.

We have in this bill—and again repetition is unnecessary because the Prime Minister has dealt with the matter—provided for greater Canadian participation. I should like to say here that there is in some quarters in Canada a feeling that those involved in the petroleum industry of those outside it in western Canada are somewhat resentful of this suggestion. Believe me, Mr. Speaker, there are no more loyal Canadians, either in or outside of the petroleum industry, than there are in western Canada. We believe in the rights of Canadians no matter where those Canadians may live. We welcome Canadian participation as an inclusion in this bill.

Then we have, of course, the question of the regulation of tolls; and in this matter we see again the separation, in the past performance of a government which saw

no reason to regulate tolls in so far as they applied to gas. Indeed, this is another change in this bill which marks, so far as I have been able to count them, the fifth major change to date. I propose, Mr. Speaker, to make reference to others at a later point. But in discussing the change in the exercising or maintaining of a toll rate on gas lines, I should like to make what I hope will be construed by the hon. gentlemen on your left as an assessment which is done in all fairness of their arguments.

They have expressed considerable approval over Mr. Borden's recommendation of a fixed rate of return and asked whether something more stringent was still not necessary, something that was going to prevent the extreme profits of their Texas buccaneer from recurring.

I recall the hon. member for Assiniboia (Mr. Argue) dealing with the options which were granted to a group of executives of three companies in particular. At most they were a handful of men. I say very quickly that I do not justify extended options. I am not making a case for these gentlemen. They have been entitled to speak for themselves. However, what I say is this. Let us remember that when you fix a rate of return, when you apply any fixed formula controlling these returns, while it might have some influence on the Texas buccaneers, I suggest to them that it would also destroy completely the value of the shares, either present or future, held by many Canadians. Equally important, it would in my view eliminate the possibility of the construction of future pipe lines, certainly with private capital. Recognizing the difference in our ideologies, perhaps that matter is not of any real concern to them.

I suggest that we should remember that in one pipe line company alone—one which has been subjected to considerable publicity in this house—namely Trans-Canada Pipe Lines, there are 30,000 Canadians who would be affected as shareholders. They represent about 70 per cent of the share capital of that company. I suggest that when they invested their money as equity in this company they did so in the hope or the belief that it would not be interfered with by undue government regulation. It should be remembered that the principle of return based upon equity implies more rigorous control than we have ever experienced in Canadian industry. Certainly in peacetime, to regulate the return on equity we would have to decide whether the company could borrow money; if so, when and how much; and, finally of course, what rate of interest the bonds should pay and perhaps even who should buy them.

[Mr. Smith (Calgary South).]

I suggest, Mr. Speaker, that Canada has grown in its maturity to date on the basis that we have been able to maintain an attractive investment climate. When we start stipulating the rate of return which is going to be extreme, in order to discourage the return which is required in an investment undertaking of the highest risk nature, we are indeed biting off our nose to spite our face and we are indeed going to over-control industry and thus affect the very shareholders who are themselves Canadian citizens.

I suggest that the hon. member overlooks entirely the fact that Canadian interests are protected by this bill under the provisions which affect the rate of return. I refer, of course, to the provisions under which a Canadian, as an operator, applies for a certificate of public convenience in which again the Canadian rights are given consideration. May I suggest to him that in his concern to restrict the profits of a handful of people we should not expect to place excessive regulation on industry in the development of the resource itself. What he is attempting to do is to have the government act as a group of security policemen in order to see that profits of these individuals are not going to become extreme. I counter that argument by saying that the very regulations implied in the bill take care of that situation adequately. We have had the minister, in the course of the debate to date, suggest that he would welcome suggestions, especially as we proceed in a clause by clause study. I offer these suggestions to him. Many of them, of course, can only be borne out after the bill has had an opportunity to be applied to the industry which it is going to regulate.

The member for Edmonton West (Mr. Lambert) dealt yesterday with the right of repeal. This has been a matter of interest to myself. It is rather unusual because I find, on the one hand, the hon. member for Assiniboia (Mr. Argue) embracing the Borden commission report and suggesting that the fixed rate of return based on equity is a good thing, yet he is very critical of the fact that a very flexible form of return based on what is described as fair and reasonable is going to be the principle of application to determine this same return.

If I have any objection at all, it is just this. Supposing, for the sake of argument, that the appointments to this board at some future date turned out to be from hon. gentlemen on your left. In their opinion what might be fair and reasonable might then make the conditions under which Mr. Borden introduced his fixed rate of return look rather acceptable. I have argued that perhaps it might be well to suggest to the government that they review the method by which we

could give some right of repeal to the consumer, and the industry, to determine whether or not the board were being completely honest in making their assessment of what is fair and reasonable. I believe you cannot fix a rate of return; it must be something that is determined by each individual application, because of course each pipe line will require a different application of the principle.

I would hope, Mr. Speaker, that we would be able to give some thought to the basis on which a right of appeal either to the senior court of this land or to the governor in council could be made by which we could keep the board, as I say, honest in their application; that they would have a clear understanding of the fact that there are limitations in which this term "fair and reasonable" could be interpreted; and I suggest that the right of appeal which is often introduced in legislation of this nature might be a simple method of affecting this. However, I make my point. I am not suggesting this should be done, at least until the bill has been given a fair trial, but at some point it may be necessary to make this simple amendment.

I think one other point which perhaps should be taken under consideration, Mr. Speaker, is the question which I referred to earlier. The bill in one of its clauses—and I realize I am not permitted to refer to it at this point—discusses the basis on which a permit for export of natural gas will be granted. Here again flexibility is essential, and I agree that this clause which is designed to eliminate the ambiguity which was contained in the export of power and fluids act is a sound approach. But one of the conditions states that the amount of gas which is required for Canadian reserves must be greater in amount, either anticipated in the future or in its present volume, than the demands on it for export.

Too often when we assess export demands we are inclined to take our proven reserves as the basis for calculating the requirements of the country for a 30-year period and then take the difference between the 30-year period which we require and the amount that is proven is the difference it is agreed that is available for export. I suggest that is hardly reasonable and logical, because first of all if you set up a basis of a 30-year requirement you must equate or relate this to the expectant proven or potential reserves which you intend to discover. As I pointed out before, with proven reserves of 26 trillion cubic feet and a discovery rate of 2½ trillion cubic feet a year, I suggest these are the basic figures which must be used in this equation to determine the amount actually exportable. I am happy to see that the bill makes reference to this, but I think it important if the minister in his concluding remarks would perhaps cover the point in somewhat greater detail.

Another point which I would suggest to the minister which has been dealt with by him and has also been covered by the Leader of the Opposition (Mr. Pearson) is the position our energy board, in relation to the federal power commission of the United States. I am sure hon. members appreciate that before a company can undertake its financing it must receive authority for export, first of all, from the province of origin; then a federal permit is required, and also a permit from the United States government agency, the federal power commission. So we then have the difficult problem of determining which comes first, the chicken or the egg. Do we only grant the permit prior to any action of the federal power commission, or do we grant it conditionally upon the fact that they will grant a hearing? I think the minister made a very fair statement in this respect in that progress had been made in working out some arrangement with the federal power commission. I suggest to him that we must safeguard Canadian rights so that we do not find ourselves, as the former government did, in the position of having granted a permit to an exporting company and find they have then to wait anywhere from eight to sixteen months before the federal power commission are prepared to act on it. I think the reason is obvious, because the terms under which the contract was initially issued to the Canadian company changed completely in the interim.

Mr. Speaker, I believe that in establishing the energy board this government has created the first agency which is in a position to deal with any United States authority on common problems. While I recognize the constitutional problems which will not permit a member of the federal power commission to sit in an advisory capacity on the board or to act on it, I believe the steps which have been suggested of having a close liaison with them to determine the problems I have outlined are essential, and I hope in the minister's remarks he will deal in somewhat more detail with that point.

Mr. Speaker, I mentioned the advisory function of this body to the government, and one of the things which has concerned Canadians for some time is how we can process more of our raw materials in Canada. As you know, natural gas as an agent can be used for upgrading a great many minerals. I think that here is a substance to which the research staff of the national energy board may well apply themselves. We have

great bodies of ore, lead, zinc and iron which can be upgraded to a considerable degree and therefore utilized in a finished product within Canada. I suggest that here again is a matter to which the advisory board will certainly make a useful contribution.

On the question of any infringement on provincial rights, I was happy to hear the minister say in his statement that every effort had been made to avoid this. It was his view, I understood him to say, that there was no indication of any such infringement. Where there is any question of provincial rights it might be worthwhile, and I suggest it is worthwhile, if this problem might be referred to a body which I have often felt, while it performs a useful function, could make a more useful contribution to a board of this nature. I refer to the mines ministers' conference which, while it only meets annually, has a variety of committees which deal exactly with these and other subjects and could be used very effectively in an advisory capacity to the board as well. I point out that this consists of a group of men from industry and government in every province where there is any form of resources, and I suggest to the minister that he might usefully employ this body, to assist the energy board. I should like also to have the minister state clearly that there will be one hearing for an export permit after the order has been issued for a permit for convenience. I read the bill again at dinner time, and it did seem to me that there might be a need for clarification in this respect.

I come now to the last point I wish to make, and this concerns the remarks made by the Leader of the Opposition when he dealt, first of all, with the problem of marketing oil in Canada, and with our domestic market. I thought his concern over the delay in the introduction of this bill was touching, because the concern which we have had in the province of Alberta has been with the delay which the Liberals in that province have shown in agreeing to the exportation of natural gas. It was refreshing to hear the hon. member for Villeneuve urge that immediate action should be taken. This is in contrast with the position taken by the leader in our province and it will be interesting to see what his comments will be in view of the hon. member's statement.

Then the Leader of the Opposition talks about the fact that there are no safeguards for Canadians. It is hardly necessary for me to dignify those comments by discussing them further. They have been dealt with. There was a complete lack of recognition of the fact that there is an important clause which deals with this point. He stated his view firmly that there is no urgency whatsoever about granting authority to the governor in council to exercise the right to license imports and exports of oil. The hon. member for Ottawa West (Mr. McIlraith) also dealt with this point.

I say, not in any heat of battle or debate, that I somehow get the feeling that hon. gentlemen opposite just do not understand the problems with which we are confronted. We have a marketing problem which is twofold. First, we export a volume of oil into what is known as district 5 of the United States and also into the mid-west of the United States. We import vast quantities—290,000 barrels—of foreign crude into eastern Canada into the refining area of Montreal. Our problem is, one of markets for exports and, second, a problem of whether the imports of foreign crude coming into Canada are seriously reducing the markets which western Canadian oil has captured in eastern Canada.

Western Canadian oil men have never asked for any special advantage or consideration. What they do maintain is that when this oil comes in at firesale prices, at a dump rate, and the provisions of the anti-dumping act are not such that it can be prevented, then surely some form of regulation to protect the entire Canadian economy, not a segment of it, is essential.

It seems to me we are splitting hairs in determining how we are going to apply this principle of regulation in the bill. We can recall the Leader of the Opposition in Edmonton accepting the need of establishing oil markets in eastern Canada in the event that the restrictions by the United States on the entry of Canadian oil were not lifted. He must be equally honest with himself and recognize, while we are grateful that these restrictions have been lifted, and the indications are that we are going to benefit as Canadians as a result, that there is still no certainty that this will be a continuing benefit. If we are to continue to be able to market only about 45 per cent of our possible production, if dumped crude comes in from other parts of the world at six or nine cents a barrel compared with Canadian costs of $1 a barrel, is it not essential in the interests of the Canadian economy to have some type of legislation which can be employed immediately? I suggest that no one can appreciate this problem unless he recognizes the havoc that it can create in the industry.

As I have said many times, you cannot turn on a valve when you require oil or gas and then turn it off. You have to maintain a healthy industry. That is something which is entirely dependent on markets, and on continuous markets. If we found ourselves tomorrow in a situation where there

was a vast quantity of Russian crude on our doorstep, as we were a few short weeks ago with substantial quantities of crude from Venezuela, from Borneo and from the Middle East—crude that comes in at, say, 45 cents or 60 cents a barrel—below the price of Canadian oil, are hon. members going to tell me that the eastern Canadian consumer is going to benefit for more than just a few days? What about his line of supply? What if an emergency were to occur when these supplies of foreign crude were not available?

Is anyone going to argue that it is not essential that we should maintain a healthy economy based on a continuous supply of the product, and this is the basis on which this regulation can and will be implemented as I understand it. No one likes government regulation unless it is essential. The word "protection" has indeed become a dirty word. There are occasions, however, when one must recognize that the products we build or produce in Canada from our resources are essential in order to maintain economic unity, and without that economic equality how can we maintain national unity?

I should like to make one reference to the remarks of the Prime Minister. I have long been an advocate of the need for early action with regard to the export of our surplus natural gas based on the statistics which I have given to the house on many occasions in the past. This is not a question of trying to get rid of gas for quick profits. It is part of the argument I have just advanced in favour of the necessity of maintaining a continuous supply and a continuous market. I thank the Prime Minister for his statement that every consideration is going to be given to hearing the three applications currently before the board of transport commissioners, and that they will be transferred to the energy board. I accept his suggestion that they can be heard immediately following this debate and that the board would then be in a position, as I understand it, to hear these applications without any further delay.

I do not intend to go into Premier Manning's statements now, but in view of the Prime Minister's statement I feel we could ask for no more than has been offered. I think this is a satisfactory solution. I think it will provide the answer to the producers in western Canada to say, first of all, that the gas is going to be sold when it is surplus to the requirements of Canadians and that, on the other hand, in processing applications through the energy board the rights of the Canadian consumer will be adequately protected.

In these last moments I should like to say to my friends in the house that I have on a number of occasions been overly sensitive to the suggestions that the petroleum industry and those of us in western Canada generally come from the land as it is so often described as "a fast buck". If you come from Calgary or that general area or have any connection with the petroleum industry one is regarded by many people as a cross between a procurer and a pickpocket, but I may assure hon. members that neither designation is true. While some may attempt to degrade the industry and its people in holding an exaggerated conception of wealth in their minds, let them remember some basic facts in relation to the industry. First of all the petroleum and natural gas industry is the number one mineral industry in Canada. Let them also be reminded that it was the greatest single factor in western Canada's postwar development. Let them remember, too, that when one single drilling rig moves into a community employing some twenty men it immediately contributes approximately $20,000 to the economic life of that area.

Mr. Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Pickersgill: Mr. Speaker, before the hon. member takes his seat, would he permit a question? My question is this. The hon. gentleman referred to Texas buccaneers. I should like to ask him if he would take exception to the investment in Canada of United States enterprises in the petroleum industry?

Mr. Smith (Calgary South): If I may reply to that question, Mr. Speaker, I have said on many occasions as the hon. member for Bonavista-Twillingate well knows that we in western Canada welcome capital invested in the development of our petroleum industry regardless of its nationality, whether it is foreign or domestic capital, we need it so urgently and in such quantity.

Mr. Pickersgill: Then you do not agree with the Prime Minister (Mr. Diefenbaker).

Mr. Smith (Calgary South): Mr. Speaker, may I rise on a point of order and comment that there is no relationship between the statement the Prime Minister made and the comment I have just made.

Mr. Pickersgill: We can judge that for ourselves.

Mr. M. W. Martin (Timmins): Mr. Speaker, I listened with great interest to the remarks made by the hon. member for Calgary South (Mr. Smith) for two reasons. In the first place I have a great personal respect for the hon. gentleman and second, I realize that he has a vast knowledge of the gas and oil industry

through his past association and no doubt because he comes from a part of the country where this industry is prominent. I do not necessarily always agree with what he says but I have a great deal of respect for the hon. gentleman.

The hon. member mentioned one point of considerable importance. If I heard him correctly he said that his only suspicion about this bill was that should hon. members of this group ever form the federal government the bill as it stands would give them much concern at that time. Perhaps I did not understand him correctly but I gathered from his remarks that this was the only reservation he had about this bill. I should like to know how hon. gentlemen opposite can have this suspicion when there is no proof? Why should they think that hon. members in this corner of the chamber would not suspect this bill when we in this corner have ample proof gathered over the years that there is need of more teeth in this legislation? If they are suspicious without any proof how can they expect hon. members in this group not to be suspicious when we have abundant proof before us based on the experience of the past?

I was most amused this afternoon at the example of the memory of the Prime Minister (Mr. Diefenbaker). How well that hon. gentleman's memory served him in taking him back to 1944 in talking about the great and terrible thing that the Saskatchewan government did at that time. This was also referred to by the hon. member for Bow River (Mr. Woolliams) and the hon. member for Edmonton West (Mr. Lambert). The Prime Minister's memory recall amazed me because his memory is so poor concerning what he himself said just two or three years ago. Interestingly enough, in referring to 1944 the Prime Minister did not substantiate his statements any more than did the hon. member for Edmonon West who when asked to specify yesterday said he could not remember the exact events but had given his impressions.

Perhaps most amusing of all was the smoke screen the Prime Minister tried to throw about the purchase of shares in certain companies by the provincial treasury of Saskatchewan. I am sure he intended to give the impression that the government of Saskatchewan is no different from the government of Ontario or any other province but there is one distinct difference. In the words of the Prime Minister himself it was the provincial treasury of the province of Saskatchewan that owned the shares; not the provincial treasurer, but the treasury. These shares are still owned by the people of Saskatchewan and are not owned by the cabinet ministers—

Mr. Pallett: What about the promoters of that transaction?

Mr. Martin (Timmins): —nor the Tory friends of the Prime Minister, as we have seen in the province of Ontario. The Prime Minister did not mention that any of these shares were owned by the provincial president of the C.C.F. in Saskatchewan.

Mr. Pallett: They are owned jointly by the government and the promoters.

Mr. Martin (Timmins): Like we have seen shares owned by the president of the Conservative party in the province of Ontario. Indeed, he made no mention of the number of shares passed on to the leader of the Liberal opposition in the province of Saskatchewan like we have seen in Ontario. There is a marked difference between the practice in the province of Saskatchewan and that in the province of Ontario and other provinces.

Thus far in the debate we have heard no hon. member on the government side of the house point out how the Canadian public is going to receive any more protection under this bill than it has received in the past. Instead of citing my own opinions for a moment I should like to refer to an expression of opinion contained in an article by Mr. John Bird which appeared in the Toronto *Star* of Monday, May 25, 1959:

> The public was shocked by the revelations of the Borden royal commission showing the perfectly legal "killings" made by the insiders in the Trans-Canada pipeline stock set-up. To control this sort of thing in future, the Borden report recommended relating pipeline tolls to the actual amount of equity capital in the venture.

Not only members of this group are concerned about this matter but many others who do not belong to this party are equally concerned. Another interesting point is contained in the final paragraph of this article:

> And so, until the board is set up and we see how it functions, and particularly until we see what yardstick it uses for determining fair tolls and how carefully it examines the financial set-up of applicants for pipe lines, we shall have no way of knowing how far the public interest is to be safeguarded.

It is not too often that members of this group can turn to the *Financial Post* and find agreement with our comments and observations. But much to our surprise we find that in the May 23 edition of the *Financial Post* the biggest part of one page is devoted to the very problem under discussion at the present time in an article by Michael Barkway. I have not studied the material there thoroughly but I find that there are at least 15 places where concern is

shown in the *Financial Post* article along the same lines expressed by members of this group. I think that some of these observations could very well be put on the record. The headline reads as follows: "How Ottawa Plans to Control Pipe Lines; National Energy Bill Would Regulate Rates, Tolls and Export Prices, But Standards Are Not Laid Down." The article goes on to point out in many places the views expressed by the members of this group and, indeed, expressed by myself when I spoke on this matter yesterday. The article points out that in clause after clause control is left firmly in the hands of the cabinet. The new board that is to be set up is not being given the jurisdiction that it should have. The article states:

> Wide powers to regulate oil and gas pipe lines and export of electrical energy are conferred on the cabinet—

Farther down it goes on to say that all gas and oil pipe lines which come under federal jurisdiction will require a certificate of convenience and necessity "but its issue will be subject to cabinet approval". It goes on to point out that international power lines for the export of electric power will be subject to the same cabinet approval and that the export and import of gas and export of power will be subject to regulations to be issued by the cabinet itself. We go down farther and we see there is a reference to "general cabinet regulations, within the terms of which the national energy board may grant licences". In another place it is pointed out that the decision of the board will depend on government approval in two different ways. In another place it says:

> But the certificate will not be issued without government approval.

Then the article goes on to say:

> The wording of the bill says: "The board may, subject to the approval of the governor in council, issue a certificate—

And further:

> But very wide discretion is left to the members of the national energy board to find a basis for setting a rate of return. It is assumed here that the board will have to set what is in effect a standard rate of return on a certain defined base. But what that may be cannot be known until cases are argued and rates set in specific cases.

And again:

> But exports are to be covered by regulations issued by the cabinet—

Then there is a reference to "such terms and conditions as the cabinet prescribes". Again, we find these words: "But they must be ruled by cabinet decision". Then we have the words, "which are subject to cabinet approval". Then there is the following:

> Before they issue export licences, since these must be in accordance with cabinet regulations laid down before they even examine the applications.

And finally:

> Decisions of the national energy board may be appealed direct to the Supreme Court of Canada on matters of law only. There is no appeal on matters of fact.

Here we see the *Financial Post*, which certainly by no stretch of the imagination can be classed as a C.C.F. newspaper, very much in accord with us on this most important matter. There has been some reference made to the Texas buccaneers of yesterday. I know that both from the government side and the official opposition benches there is very little talk about the Canadian buccaneers of today. I suggest that the only difference between the two is that we used to recognize the Texans by their drawl.

All members of this group have wondered just where the Liberals stand with respect to this bill. I must confess I listened very carefully to the Leader of the Opposition (Mr. Pearson) yesterday but when he finished I am afraid I was no wiser than when he started. When we find a newspaper like the *Financial Post* pointing out so clearly what a puppet body the proposed board is going to be, how completely under the control and domination of the cabinet it is going to be I wonder where our Liberal friends have found this new faith in the Tory party and the Tory cabinet. Where is the sham battle that we so often see between the two old parties?

Some point was made today that the board is going to have powers similar to those of the board of transport commissioners. That is not so. The board of transport commissioners has the power to make decisions subject to veto by the governor in council. From what I have been able to see from the bill this new board will have no such power. In my opinion one thing has been demonstrated very clearly not only to the house but throughout the country as a whole, namely that the huge, overwhelming majority on the government side is completely controlled by the cabinet. I think it is also equally understood and has been demonstrated on many occasions that the cabinet is completely ruled and dominated by the Prime Minister. To go one step further, Mr. Speaker, we have also seen that the Prime Minister is not even ruled by parliament itself.

Mr. Churchill: Nonsense.

Mr. Martin (Timmins): We saw that very clearly demonstrated yesterday and it is reported today on page 17 of the *Globe and Mail*. At this time I should like to say that

I agree completely with the amendment proposed by the hon. member for Timiskaming (Mr. Peters) and I also recommend it for consideration to my hon. friends in the Liberal party to my left.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, very little can be added in the closing hour or so of the debate on the bill to set up a national energy board. I should like to try to kill once and for all one red herring that has been dragged in by the official opposition. It was brought in tonight by the hon. member for Ottawa West (Mr. McIlraith) when he referred to the 15 per cent trade diversion and the 15 per cent reduction in oil imports by the United States. In the early months of 1957 I happened to be a senior engineer with perhaps the largest pipe line contracting firm in the world. At that time the official journal of the oil industry in the United States was full of the submissions which were being made to Washington, particularly by the independent producers in Texas, asking for mandatory restrictions on oil imports, and the figure mentioned in issue after issue of this journal was 15 per cent.

The reason they were asking for this restriction was that it was claimed the independent producers in Texas were operating at about one-half maximum efficient capacity because the majority of the refining capacity was in the hands of the majors and the independents could not sell as much as they wished to the majors. The majors had enough of their own oil coming in from offshore concessions to satisfy a large part of their requirements. This 15 per cent business is about the most arrant piece of nonsense that I have heard in this house in the length of time I have been here. I am seeking very carefully for words which will not be called unparliamentary in order to describe the antics that have been gone through in this regard.

In so far as the possible control of oil imports is concerned, the hon. member for Calgary South (Mr. Smith) has made a very able speech pointing out the necessity for it. I should like to add a few remarks covering a few points which he did not mention. It is not generally known, but the approximate cost of bringing a barrel of oil to the surface is half a cent per barrel in the Near East; 65 cents in Venezuela; 90 cents in Canada and $1.20 in the United States. The reason for this, of course, is that a well in the Near East will be producing 10,000, 20,000 or 30,000 barrels per day, whereas in Canada a well will produce 20 to 30 barrels per day on the average. Our wells are operating at about half the capacity the wells in Texas were operating when the Texas producers demanded that a state of emergency be declared and that oil imports be limited because production in Texas had dropped so low. Our western producers were in, and are in, a far worse position than the Texas producers ever were.

We have heard something about this point of commercial preference. It sounds complicated, but it is very simple. It simply means this, that the major oil companies are world wide organizations, fully integrated and owning producing fields in Venezuela, in Sumatra and in the Near East. When they import this oil they are buying it from themselves, and they can set whatever price they wish on it. They also have the advantage when they use it in their refineries of using 100 per cent of their own oil. When they use western Canadian oil, because all wells are on a *pro rata* system, the independents and the majors alike pump into the gathering systems according to the number of wells that they have in production and on the basis of the quota that they have been allotted by the provincial board governing that matter. Therefore, when they use Canadian oil they get only that percentage of their own oil that this percentage bears to the total production of all wells in western Canada. It is therefore much more advantageous for a company to use its own offshore oil.

It is also advantageous from the point of view that oil in Canada is safe but oil in these other areas I have mentioned is unsafe because of unstable political conditions. Mr. Harold Rea, president of the Canadian Oil Company, speaking to the Harvard club in Tulsa, Oklahoma, had this to say, and I quote:

> "Large U.S. companies with substantial oil reserves in Canada, and facilities to market that oil in the U.S., should do so."
>
> Companies should not tie up great tracts of exploratory land in Canada and put their reserves of Canadian crude in "mothballs" while, at the same time, eastern Canada must import large quantities of foreign-produced oil, Mr. Rea stated.

At the conclusion of the Borden commission hearings the oil companies voluntarily agreed that they would use more western oil in the Toronto refining area, and they would back up oil which was being refined in the Montreal area to give a greater marketing area to the refined products from Toronto. This was to increase the use of Canadian crude. They also agreed that in the oil deficiency areas of the United States, that is district No. 5 comprising Washington, Oregon and the northern part of California, those refineries which were connected by pipe line through Trans-Mountain Oil Pipe Line Company to sources of Canadian crude, would be allowed a greater degree of freedom in the amount of oil that

they purchased. In fact, they were not originally on a quota basis so far as the United States government was concerned, but so far as the operation of the oil companies is concerned they are on a quota which is based on how best they can use their reserves to make the most profits for themselves. This operation dictated the use of offshore oil.

Now, when we talk about the importation of 290,000 barrels per day of Venezuelan oil into the Montreal market, we really mean 290,000 barrels per day of United States oil because that oil comes from companies owned and controlled in the United States. It is only fair and reasonable that we should be able to use this major import as bargaining lever with the United States to promote the flow of our oil into our natural market, that is the oil deficiency area of district No. 5 in the Pacific northwest and the oil deficiency areas in the midwest United States. It is for that reason I believe the mandatory controls have been lifted. As the hon. member for Ottawa West did point out, there was an article in this morning's *Gazette* by Mr. Meyer, the financial editor, pointing out that even the elimination of this mandatory control still leaves the ceiling section in the regulations which prohibits the importation of Canadian oil in excess of the quota arrangements we had been given previously. I am not sure whether or not Mr. Meyer has properly interpreted the regulations, but if he has we can only gain back the ground we have lost, and that will not be satisfactory. It is for this reason that in this bill the government is being given the power to use this importation of 290,000 barrels of oil per day as a bargaining lever. If it does not work out that way, then there is always the alternative of supplying our own oil to this major Canadian market.

So far as the companies are concerned, as I have tried to point out, through commercial preference and the integrated operation between the producing fields and the refining and distributing set-up, the world wide company can pretty well set what price it wants to set on its own oil; but that price means nothing.

But what does mean something, incidentally, is that the underdeveloped countries are demanding a greater and greater share in the profits from the mining of their oil. Where Anglo-Iranian could get by with a 25-75 split, Aramco today are signing contracts on a 60-40 basis, with 60 per cent for Saudi Arabia. Hence the costs of this so-called cheap oil are going up. There is still that major factor of the political instability of these countries and the necessity for the international oil companies to plow back into those countries revenues in the form of royalties in order to maintain the government which they have. This is their problem; it is not ours.

Reverting to the question of natural gas, there is one point on which I will disagree with my friend the hon. member for Calgary South, namely with regard to Trans-Canada Pipe Lines Company. Trans-Canada today is a good company controlled by Canadians. As the hon. member pointed out, some 80,000 Canadians have shares in it. I have talked to the president. The company has almost 100 per cent Canadian personnel now and in every respect it is a good company. It is a good company for the people of Canada and a good company for its own employees. When that company was set up I believe the names which would appear as the largest shareholders start off with Mr. Murchison and run through the gamut of the so-called Texas buccaneers. These people sold out. They sold out their cheap stock at a fairly good price to people like Home Oil and others. Canadians paid good prices for this stock which these people obtained as a gift through the policies of the previous administration.

I should like to make particular reference to gas as it affects Vancouver. I will quote from an editorial of Thursday, February 20, 1958 which appeared in the Vancouver *Province*. It has to do with the sale price of gas to the Pacific Northwest Pipe Line Company and to the British Columbia Electric Company. This editorial is headed "Bilked on our own gas" and it reads in part as follows:

> The Borden commission in its Calgary hearings has already laid bare, and in fact openly suggests, that the Canadian public is being bilked in the promotion and sale of its natural gas.
>
> The situation in British Columbia is presently under examination. Distributors in the United States are buying our natural gas at the border for 22 cents a thousand cubic feet. Canadian distributors pay 32 cents a thousand cubic feet.
>
> The Westcoast Transmission Co. Ltd. has made a 20-year contract to deliver natural gas from northern B.C. and Alberta to the Pacific Northwest—

That is Pacific Northwest Pipe Line Corporation.

> —for 22 cents.
>
> The chairman of the commission, Henry Borden, has been moved to comment in open hearings that this export of Canadian gas is "unprofitable."

The editorial goes on to say this:

> Commission counsel has shown that it costs 24 cents to deliver the gas to the border. He has also suggested that any profit on this kind of operations must come out of the Canadian consumer.

The editorial is broken into two parts. In the second half it goes on to state as follows:

> The gas-price situation being examined by the Borden commission could—and should—brew up into a first-class political scandal.
>
> During their years in power the Liberals insisted repeatedly that their policy was to protect the interests of Canadian gas consumers.

National Energy Board

On March 13, 1953, the then minister of trade and commerce, Mr. C. D. Howe, declared proudly that while the Conservatives were talking of a "Canada first" gas policy, the Liberals went farther: their policy was "Canada always."

On April 15, 1953, announcing the granting of a 22-year permit to Westcoast Transmission, Mr. Howe said flatly in Commons that "the interests of British Columbia customers will be protected."

On June 4, 1956, the then minister of finance, Mr. Walter Harris, quoted regulation No. 9 of the Exportation of Power and Fluids and Importation of Gas Act, and said:

"This means, Mr. Speaker, that when a licence is granted for the export of gas out of Canada—and that licence has not yet been granted—it is going to be subject to these regulations, and these regulations will be enforced by the government of Canada to see that the export of gas is not at a price lower than the price for gas supplied in Canada."

What is regulation No. 9? It was quoted by the Prime Minister (Mr. Diefenbaker) this afternoon.

The said regulation No. 9, drafted by the Liberal government, reads: "The price charged by a licencee for power or gas exported by him shall not be lower than the price at which power or gas, respectively, is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumpton in Canada."

The loophole is the phrase "in similar quantities and under similar conditions of sale."

The Borden report went into great detail on this matter. I should like to say that this condition came about through no fault of Westcoast Transmission. The promoters of Westcoast Transmission spent great sums of money and had brought it to the point where it had no future because they were denied the right to export gas to the United States. It looked like a lost cause. When they were offered this arrangement from Pacific Northwest they were obliged to accept or see the whole project fall through completely. I have been up around Dawson Creek where the hon. member for Cariboo (Mr. Henderson) lives and Fort St. John and Taylor. He can tell you better than I of the industrial activity and the vitality that has come to that country through the building of this gas pipe line. But that is not to say that we should not expect to get these benefits in the future without sacrificing any part of our birthright.

The Pacific Northwest Company drove a hard bargain with Westcoast Transmission. I now quote from page 17 of the Borden report which states as follows:

In December, 1954, as a part of the consideration for executing the gas purchase contract with Westcoast, Pacific Northwest demanded a 50 per cent share interest in Westcoast but accepted an option, dated December 11, 1954, in favour of one K.S. Adams, to purchase common shares equivalent to 25 per cent of the common shares of Westcoast outstanding after its public financing and at the price at which shares would be offered to the public.

The result of this was that Pacific Northwest acquired 1,127,750 of its common shares at the price of $5 per share. Those shares were $16 on the market right after the public offering. So we have this United States company paying far less for their gas than does the Canadian distributor which incidentally is taking off at the same take-off point as the United States company. The United States company to boot has obtained 25 per cent of the stock of the transmission line. Finally, any profits made by the transmission company will be made on the sale of gas to Canadians and the United States company will get 25 per cent of that amount also. This is the sort of thing that is meant in this bill in clause 44 where reference is made to the financial responsibility and financial structure of the applicant, the methods of financing the line and the extent to which Canadians will have an opportunity of participating in the financing, engineering and construction of the line and the question of any public interest which may be involved.

It seems that although the Borden commission talk about sanctity of contracts I see no sanctity in the contract with Pacific Northwest. I believe one of the first acts of the energy board should be to review this matter to the end that the gas sold in the United States or any exported gas is not sold at any more favourable price than it is offered to Canadian consumers.

The final point I would like to make is in regard to Canadian participation in these companies and the fact that the bill itself states that the commission shall see to it that financing is carried on in such a way that Canadians participate. I do not think there should be an offering of any pipe line shares other than in Canada. I think the method used to finance the Alberta trunk gas lines is an excellent form to follow, except of course in that case it was restricted to the residents of Alberta alone. I am convinced that the people of Canada do have the courage to invest in risk enterprises like this, because a pipe line is a tremendous risk. It is a gamble and if it fails then there are literally millions of dollars lost, because with a pipe line there is no halfway measure. But I believe that Canadians do wish to participate and wish to have the right to subscribe at the initial offering of stock in these companies, and this bill will see that Canadians will have that right.

In conclusion, Mr. Speaker, I wonder what all the talk is from the opposition benches? We have heard more twaddle, more vagueness, more lack of understanding of this whole question from the opposition benches than anything I can recall having listened to in the house before. The hon. member for

Timmins (Mr. Martin), an admirable fellow in many ways, talked about the cabinet taking the responsibility and not the energy board. Of course the cabinet has the responsibility. The energy board does not have to report to the Canadian people, but the cabinet does, and through their elected representatives the Canadian people will have control and will be able to say whether they do or do not agree with the way this board is working. It seems to me that that is the only possible way to make this work. Undoubtedly there will be a period of trial and error. There will have to be minor modifications, but the bill has been so framed that not only is there freedom for the board to work but there is also the saving grace of cabinet approval. Therefore I suggest, Mr. Speaker, that we get on to the details of the bill as soon as possible.

Mr. M. L. McFarlane (Kootenay East): Mr. Speaker, I would like to speak for a few moments tonight on the export of gas and what I think should be done in connection with the Canadian consumer.

With the discovery of vast quantities of natural gas and the subsequent construction of pipe lines throughout Canada and the United States, natural gas is fast replacing many other types of fuel in communities which are fortunate enough to have this modern convenient type of fuel. In the years to come any community that is not serviced by this modern convenience when the pipe line is in construction will be seriously handicapped in its development. Western Canada has been blessed with an abundance of natural gas and large quantities of this fuel to export to areas which are less fortunate. We would definitely urge the exporting of gas in order that the economy of Canada may benefit.

First, Mr. Speaker, we would like to recommend return on capital invested in the gas and oil industries. We feel that the investors are entitled to a return on their investments. Second, the creation of employment for Canadians in the construction of gas lines and gathering systems, scrubbing plants and also the development of by-products from the gas itself. Third, the creation of permanent employment for Canadians in the maintenance and operation of these installations. Fourth, giving the gas companies encouragement to continue further explorations for new fields, and I believe many of these could be found in southeastern British Columbia.

However, Mr. Speaker, before permits for the export of natural gas are granted by the department provision should be made to supply Canadian communities within reasonable range of the main transmission line which desire to be serviced with adequate gas supplies at a reasonable rate. There will very shortly be an application or applications presented to the energy board by the Alberta and Southern Gas Company Limited and the Westcoast Transmission Company Limited to export approximately three trillion cubic feet of natural gas from Alberta to the Pacific northwestern states. The proposed pipe line will transport gas from the Alberta border at the Crowsnest pass to the international boundary at Kingsgate, British Columbia, travelling through that part of British Columbia more commonly known as the east Kootenay.

In the east Kootenay there are six organized municipalities, namely the cities of Fernie, Cranbrook, Kimberley, two small villages of Marysville and Chapman Camp, and the rapidly expanding district of Creston. These communities are very desirous of being served with natural gas and the only possible source of this fuel for these communities will be this pipe line solely designed for export purposes. We feel that if these communities are serviced at the time of construction we will have an added incentive for industry to come into our area.

Mr. Speaker, due to the location of this pipe line—incidentally I have been over part of the present survey—it is not economically possible to serve the above mentioned communities, with the exception of Fernie, by the main pipe line. Therefore we are going to need branch lines taken off the main service lines. The cost of transportation of gas from the pipe line as presently proposed to the boundaries of these municipalities desiring the service would make the cost of the gas very high to the consumer. However, if the export pipe line company were to include the cost of these distribution lines to the various communities which I have named, bringing them to the boundaries of their municipalities, in the over-all cost of the pipe line, so that the entire volume of gas carried would bear its share of the cost, the increase per million cubic feet would be very nominal.

We have watched with consternation the establishment of rates for natural gas on the previously constructed pipe lines. The fact that Canadian utilities, for example Inland Natural Gas Company Limited and the British Columbia Electric Company, pay more for gas than the United States utility companies, for example Northwest Utility Company, is a situation which does not meet with approval in Canada, and in British Columbia in particular. In the opinion of some of the experts Canadians are subsidizing United States gas. This should not be the case. It would be more reasonable to expect the reverse. In the present application the maximum Canadian

consumption would be approximately 2 per cent of the gas carried and it is not unreasonable that 98 per cent should subsidize the 2 per cent for the privilege of export. This is a matter which is very important to the Canadian communities concerned.

In our area we have an abundance of raw materials. We have practically all the raw materials that are required for the manufacture of a great number of articles. We should like to be in such a position that when the gas lines are brought to the edge of the municipalities we could apply for it and derive the benefits of this gas without the necessity of making formal application to various boards. The hon. member for Vancouver South (Mr. Broome) has mentioned the difference in the Vancouver rate, and pointed out that Vancouver is paying approximately 50 per cent more for gas than the people across the line.

I wish to bring three points to the attention of the house. I think when this gas line is constructed it should supply natural gas to the cities of Cranbrook and Kimberley and to the villages of Marysville, Chapman Camp and Creston; that the companies should sell the gas to these communities at the same cost as sold at the international boundary, and that they should deliver the gas to the boundaries of the municipalities concerned.

Mr. Hazen Argue (Assiniboia): There are some members of this house who are, I know, very anxious to deal with this bill and have it passed as quickly as possible. However, I believe the statement made by the Prime Minister (Mr. Diefenbaker) this afternoon showed that the government is very concerned about the great amount of adverse criticism of this bill and the very bad press which the government has received in connection with this legislation.

The Prime Minister made a long statement this afternoon in which he spent a great deal of time attacking the C.C.F. group in this house. Mr. Speaker, it has always been my contention that until you are effective enough to get the government to pay some attention to you and counter-attack you are not making your points, and the very fact that the Prime Minister had to spend so long trying to prove to us that public ownership was not a good thing suggests to me that this was hitting him where it hurts.

I found it surprising that he should have to journey out to Saskatchewan, just a few hours ahead of the plane trip which he is about to make, in order to attack policies of the Saskatchewan government which have nothing to do with this bill whatsoever. This measure is concerned with the government's policy on natural energy. I did not know it had anything to do with a cement factory; I did not know it had anything to do with a steel factory. But the Prime Minister, in saying that public ownership is not the best type of ownership, takes us out to Saskatchewan and talks about a cement factory and talks about pipe lines.

It is significant that he did not mention that the Saskatchewan government has its transportation facilities under public ownership.

An hon. Member: And they cost more.

Mr. Argue: And they cost a good deal less than in the province of Manitoba in similar circumstances.

Mr. Churchill: Not in all parts of Manitoba. It is cheaper in Brandon.

Mr. Argue: I will deal with Brandon. I can appreciate the fact that the Minister of Trade and Commerce (Mr. Churchill) is very sensitive about this because, of course, he comes from the city of Winnipeg and he was one of those who criticized the Liberal administration so vigorously—

Mr. Churchill: And effectively.

Mr. Argue: —and effectively—that is correct—when they were following the policy of coddling the Texas buccaneers. But now the Minister of Trade and Commerce has taken those same buccaneers to his own bosom. He is doing nothing under this policy which changes in any way the substance of the policy of the former administration, and it is no wonder that after advancing this anaemic and innocuous bill he is sensitive to the fact that in the city of Winnipeg the people in his constituency are paying these exorbitant prices for natural gas.

The Prime Minister took us out to Saskatchewan not to deal with the Saskatchewan power corporation which is in the field of the distribution of natural gas and which, I may say, has made a very good showing. The corporation is this year extending natural gas to all of the small cities in Saskatchewan as well as to the larger cities which already have gas, and to the communities on the lines between those smaller cities. Not only is the Saskatchewan power corporation extending gas to those communities but it is showing a profit on its operations. I have in my hand the annual reports for 1957-58 of the crown corporations in the province of Saskatchewan, available to hon. members in the parliamentary library, and this volume shows that in the year 1958, with a revenue of some $7,639,000 from gas, the Saskatchewan power corporation made a net profit of some $843,442. With this good financial showing

the Saskatchewan power corporation is obtaining funds to extend its supplies within Saskatchewan to the smaller communities. The people of Saskatchewan recognize that the Saskatchewan power corporation in its distribution of natural gas is providing the best type of service to that province, and it would be interesting if the Prime Minister would tell us what he thinks of the effectiveness of that corporation.

We hear hon. members of the Liberal party, and of the Conservative party, too, criticizing crown corporations—criticizing socialism. One of the Liberal members in that province a few years ago said that if the Liberals ever got to office they would throw the crown corporations out the window. It is significant that when the Saskatchewan Liberal leader was asked the other day what he would do with the Saskatchewan power corporation if he became premier of the province—whether he would sell it—he replied: "No. Over my dead body. We would maintain it as a publicly owned enterprise." The Prime Minister would have made a more significant statement today if instead of going out to Saskatchewan to attack the province's policies with regard to other matters he had told us where he stands as far as the Saskatchewan power corporation is concerned. This is a publicly owned utility which is doing a good job in that province by bringing gas to the people of Saskatchewan at a rate cheaper than the citizens of Manitoba are able to obtain it, and the people of Saskatchewan would be anxious to hear from the Prime Minister where he stands on that point.

When the Conservatives were in opposition they attacked the Texas buccaneers. They attacked the fabulous profits—

An hon. Member: Old stuff.

Mr. Argue: The hon. member says, "Old stuff". You see how quickly they want to forget? The Minister of Public Works (Mr. Green) when he was in opposition said that the deal was the greatest betrayal in history.

Mr. Green: Mr. Speaker, I rise on a question of privilege. The hon. member has referred on several occasions to the last paragraph of a speech I made—

Mr. Argue: This was the second.

Mr. Green: —but he never goes on to point out that the terms of that speech had no connection whatever with the attacks he has been making on this government.

Mr. Argue: They had no connection? The Prime Minister called it a nefarious deal. He called the people involved Texas buccaneers. Now the interjection is that this is old stuff. After just three years, less than two of which were spent in office, apparently members of the government believe that everything said by them when in opposition is old stuff.

The Minister of Public Works told us today that what was said in opposition was not always the attitude taken by hon. gentlemen opposite when they got to the government side of the house which is perfectly true. This government through this bill is saying in effect that Mr. Nathan Tanner, who according to the government's own royal commission report made just under $1,500,000 capital gain on a risk of $8, should be allowed to go, not only scot free and be allowed to have his capital gain, but indeed the government goes even further in this legislation by refusing to implement the part of the report which says that returns to shareholders of pipeline companies should be based on their own equity. So what can happen under this legislation and what I have no doubt will happen is that not only will these buccaneers get huge returns on the amount of their investment plus the amount of their capital gain but the door will be wide open to give them an additional return based on the amount of borrowed capital, the amount of debentures and the amount of other capital that the corporation uses.

This will be a fine state of affairs. Not only will Mr. Tanner, Mr. Coates and their associates and other buccaneers—

Mr. Woolliams: And Mr. Fines.

Mr. Argue: —be able to make huge capital gains—$1,500,000 on an investment of $8 is not too bad—but will be able to obtain a net profit, a return on somebody else's capital, since the government has refused to implement that part of the report of the commission which has to do with returns on equity capital.

There has been a great change in the attitude of the Conservative party. It is no wonder that the interjections tonight are to the effect that this is old stuff. It is old stuff, all right; it has been forgotten as rapidly as the Conservative government has been able to forget it as well it might because when the former leader of the Conservative party, the Honourable George Drew, stated the policy of the Conservative party back in 1956, as reported at page 4673 of *Hansard* of June 4 of that year, the motion he presented read as follows:

> That the Bill be not now read the third time but that it be referred back to the committee of the whole with instructions that they have power to amend sections 5, 6 and 7 thereof to include the agreements made with Trans-Canada Pipe Lines Limited as schedules to the bill and add other sections necessary to ensure that the bill shall give effect to one of the following principles;
>
> First, the immediate agreement of Trans-Canada Pipe Lines Limited to reorganize as a company under effective Canadian ownership and control and

to undertake construction without a grant of public money, in accordance with the assurances upon which its charter was granted by parliament; or—

There is no indication now that Trans-Canada Pipe Lines Limited is to reorganize as a company under effective Canadian ownership. In introducing the legislation the minister said that as far as the government was concerned it would welcome Canadian and foreign capital. All that means in the context of this legislation is that the government is prepared to have pipe lines built and controlled by outside capital. It can mean nothing else because there is no control based on Canadian capital and no control to prevent foreign capital from controlling this industry.

I continue with the words of the motion of Mr. Drew:

Second, failing such agreement, the immediate consideration of other proposals submitted by any other persons or companies for the immediate financing and construction of the pipe line under effective Canadian ownership and control and without a grant of public money; or

Third, enlarge the powers of the crown corporation so that the entire pipe line may be constructed immediately under public ownership.

The Conservatives in 1956 were prepared to accept public ownership as an alternative policy to that being followed by the government of the day. Today they not only reject public ownership but they reject any effective control that would guarantee that this industry and other energy in Canada be developed by Canadians and by Canadian capital.

This government has made a complete about face. It has turned its back on its own statement and its own record. Not only is it prepared to allow this industry to fall more completely into the hands of outside persons and outside capital but it is not prepared as outlined in this bill to give the energy board any effective power to deal with the development and control of energy in Canada.

Mr. Lambert: Produce the evidence to support your remarks.

Mr. Argue: I shall be happy to produce evidence. The evidence is contained in this bill. You do not have to look beyond the bill to find evidence.

Mr. Lambert: You have proved that you know even less than you knew yesterday.

Mr. Argue: Under this proposed legislation anything the board can do the government can set aside. Anything the board can do effectively has to be done with the approval of the governor in council and if the governor in council wishes it can put aside anything the board may do. This is a bill drafted by a government that considers itself all-powerful, that considers parliament subservient, and that considers all it has to do through the Minister of Trade and Commerce is to look around at the tremendous majority and say, "Who is going to stop us?"

Mr. Lambert: You know even less than you did yesterday.

Some hon. Members: Ten o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire what the business is for tomorrow?

Mr. Green: Mr. Speaker, tomorrow we shall continue with this debate and in the event it concludes the order of business will be that announced last night. Any estimates that might be taken this week would be those of public works and fisheries.

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

ANSWERS TO QUESTIONS

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

C.B.C.—HIRING OF SECURITY GUARDS

Question No. 65—**Mr. Howard:**

1. Since January 1, 1959, has the Canadian Broadcasting Corporation hired any protective guards, security guards or similar categories of employees?
2. If so, (a) how many; (b) what are their wages, expense allowances, hours of work and duties; (c) what are their names and addresses?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1 and 2. The Canadian Broadcasting Corporation advises that since January 1, 1959 it has not employed any security or protective guards individually but arranged for the services of the following four firms temporarily to provide essential protection for C.B.C. property and other duties in Montreal: J. Broderick Services Ltd., Atlas Investigation Bureau Inc., Barnes Investigation Bureau Ltd., and Service d'Investigations et de Perception Enrg. The hours of work vary from 8 to 24 hours daily.

The total cost of security and protection service in Montreal up to February 7, 1959, was approximately $174,500.

MUSEUM OF NATURAL HISTORY—LOCATION

Question No. 194—**Mr. Argue:**

1. Have any suggestions ever been made to the government that the museum of human history be established outside Ottawa?
2. If so, what person or persons made these proposals, to whom were they made, and on what date?
3. What was the nature of each such proposal?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes, it has been suggested that a branch of the national museum might be established in the convent building of the Congregation de Notre Dame de Montreal situated on Nun's island.

2. The proposal was first made to the Minister of Northern Affairs and National Resources on December 30, 1957 by Collin A. Gravenor of Montreal. It was also suggested by telephone on January 7, 1959, by the member for Verdun, Mr. H. E. Monteith, and in a letter dated January 30, 1959, by the member for Montreal-St. James, Mr. C. E. Campeau.

3. The proposal was to establish a branch of the national museum dedicated to the province of Quebec, its heritage and religious background, folk lore and traditions.

C.B.C. RELAY TRANSMITTER COSTS

Question No. 242—**Mr. Benidickson:**

1. What were the costs of C.B.C. for 1957-58 and 1956-57 for relay radio transmitters operations at: (i) Dryden, Ontario; (ii) Sioux Lookout, Ontario; (iii) Atikokan, Ontario?
2. How much of this expense was attributable to wire line rental charges to the organization representing jointly C.N.R. telegraphs and C.P.R. telegraphs?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

The Canadian Broadcasting Corporation advises as follows:

1. (i) (ii) (iii) The cost of operating a radio low power relay transmitter averages about $250 per annum for maintenance, replacement parts, inspection and incidental costs.

2. The figure of $250 does not include wire line rental charges. It has been held that it would be disadvantageous to the corporation in business negotiations to make public amounts of payments to organizations for services provided.

C.B.C.—T.V. RADIO VIEWER AND LISTENER RATINGS

Question No. 367—**Mr. Fisher:**

1. Does the audience research division of the Canadian Broadcasting Corporation acquire viewer and listener ratings for television and radio programs?
2. If so, what are the ratings in terms of T.V. homes reached, persons viewing, on a national and a major area basis for the following programs since December 1, 1958: Perry Como, Ed Sullivan, Father Knows Best, Cannonball, Citizen's Forum, This Week, Tabloid, Press Conference, Fighting Words, the 11 p.m. Canadian Broadcasting Corporation T.V. news, Viewpoint, and the Nation's Business or its alternate, Provincial Affairs?
3. What are the radio ratings in the same period for the Nation's Business and/or Provincial Affairs, Citizen's Forum, Week-end Review, Critically Speaking, Project '59, University of the Air, and the 10 p.m. national news?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

The Canadian Broadcasting Corporation advises as follows:

1. Yes.

2. See table "A" attached.

3. See table "B" attached.

TABLE A

TELEVISION AUDIENCES

Programme		National		Toronto-Hamilton
		TV Homes Viewing	People Viewing	TV Homes Viewing
		(in thousands)		(in thousands)
Perry Como	December 1958	1,400	3,250	234
	January 1959	1,550	4,650	268
	February	1,550	4,550	255
	March	1,500	4,550	197
Ed Sullivan	December 1958	1,350	4,000	307
	January 1959	1,500	4,600	332
	February	1,450	4,500	318
	March	1,400	4,350	272
Father Knows Best	December 1958	1,300	4,200	163
	January 1959	1,450	4,850	233
	February	1,450	4,850	225
	March	1,450	4,800	210
Cannonball	December 1958	1,100	2,800	135
	January 1959	1,300	3,300	171
	February	1,300	3,050	180
	March	1,250	3,150	150
Citizen's Forum	December 1958	200	450	14
	January 1959	300	600	9
	February	250	650	27
	March	200	450	17
†This Week	December 1958	150	300	15
	January 1959	150	300	18
	February	150	300	14
	March	200	350	23
†Tabloid (Mon. only)	December 1958	*	*	114
	January 1959	*	*	113
	February	*	*	110
	March	*	*	124
Press Conference	December 1958	350	650	31
	January 1959	300	600	22
	February	350	650	16
	March	350	700	26
Fighting Words	December 1958	200	400	17
	January 1959	150	350	22
	February	250	500	23
	March	200	450	25
News 11:00 p.m.	December 1958 Net	1,050		(Mon.) 101
	Av.	700	1,500	
	January 1959 Net	1,450		(Mon.) 141
	Av.	750	1,600	
	February Net	1,300		(Mon.) 128
	Av.	700	1,450	
	March Net	1,300		(Mon.) 104
	Av.	700	1,350	
†Viewpoint	December 1958	*	*	34
	January 1959	*	*	39
	February	*	*	46
	March	*	*	27

TABLE A—*Continued*

Programme		National TV Homes Viewing	National People Viewing	Toronto-Hamilton TV Homes Viewing
		(in thousands)		(in thousands)
†Provincial Affairs..... (alternates with The Nations' Business).....	December 1958.....	250	450	19
	January 1959.....	250	550	22
	February.....	300	600	27
	March.....	250	450	22

*National figures not available as this program has only limited distribution.
†Not carried in all geographical areas.
TV homes within surveyed area: National, 3,154,000; Toronto-Hamilton, 662,000.

NOTE: All national figures rounded off to nearest 50,000.
International Surveys Ltd does not report persons viewing in Toronto-Hamilton area, only TV homes viewing.

Net audience: Total number of households tuned to program one or more times during the week.
Average audience: Average number of households tuned to each telecast or episode.

SOURCE: International Surveys Limited, English network T.V. program reports and Toronto-Hamilton T.V. area reports December 1958, January, February and March 1959.

TABLE B

RADIO AUDIENCES

Programme		National Radio Homes Listening (Per Cent)	National Radio Homes Listening (in thousands)
National News 10:00 p.m. EST			
December 1958.....	Net	6	201
	Av.	3	101
January 1959.....	Net	6	181
	Av.	3	83
February 1959.....	Net	7	227
	Av.	4	112
March 1959.....	Net	6	179
	Av.	3	106

Radio homes within surveyed area: National 4,006,000

NOTE: International Surveys Limited, the source of the above figures, does not report audiences for programs which do not reach more than 2 per cent of the radio homes in Canada, i.e., 80,000 radio homes. Thus, no figures are available for the following programs which, though measured, did not reach I.S.L. minimum reporting standards —The Nation's Business, Provincial Affairs, Citizen's Forum, Weekend Review, Critically Speaking, Project '59 and University of the Air. Also, International Surveys Ltd. does not report the number of persons listening to radio programs, only homes listening. In the Toronto-Hamilton area none of the above programs, including the news, reached 2 per cent of the radio homes, i.e., 14,000.

SOURCE: International Surveys Limited, network radio reports and Toronto-Hamilton radio area reports, December, 1958, January, February and March 1959.

NATIONAL MUSEUM—WM. E. TAYLOR

Question No. 393—**Mr. Argue:**

1. Does Mr. Wm. E. Taylor now hold a position at the national museum of Canada? If so, what position?

2. On what date was he first appointed to a position at the national museum of Canada, to what position, by what authority was he so appointed?

3. What positions has he held at the museum since that date, on what date did he take up each, and by what authority was he appointed to each?

Questions

4. Were any of these positions under the jurisdiction of the civil service commission? If so, which ones?

5. Was a civil service competition held for any of these appointments?

6. If so, for which ones, on what dates were they held, what names appeared on the civil service eligibility list for each competition, and in what order were they listed?

7. What positions had Mr. Taylor held previous to his first appointment on the staff of the museum?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes. Anthropologist 3.

2. Appointed May 25, 1956 as an anthropologist 3 by civil service commission certificate.

3. No change.

4. Not applicable.

5. Yes.

6. Competition 5-HP-1080 for anthropologist 3, dated October 3, 1955. Only one name appeared on the eligible list—W. E. Taylor.

7. Museum of anthropology, University of Michigan 1954-55. Seasonal work with national museum of Canada during the summer of 1955.

ASSISTANCE IN FOREST INVENTORIES PROGRAM

Question No. 399—**Mr. Leduc:**

1. In what fiscal year was the assistance in forest inventories program initiated?

2. What provinces have entered into an agreement with the federal government in each fiscal year since the inception of the program up to March 31, 1959, and what is the amount paid to each of them in each year?

3. What provinces have not entered into such an agreement?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. 1951-52.

2. The provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and New Brunswick entered into agreements respecting assistance in forest inventory in 1951-52; Nova Scotia entered into such an agreement in 1952-53. The amounts paid to each province in each fiscal year are shown in the attached table.

3. Quebec, Newfoundland, and Prince Edward Island.

FOREST INVENTORY PAYMENTS

Province	Fiscal Year								Total payments by provinces
	1951–52	1952–53	1953–54	1954–55	1955–56	1956–57	1957–58	1958–59	
	$	$	$	$	$	$	$	$	$
Nova Scotia	—	576.43	24,672.03	87,396.11	121,616.14	62,368.53	10,920.51	16,169.99	323,719.74
New Brunswick	27,301.85	5,226.65	12,274.21	19,511.08	33,108.27	14,360.63	17,545.31	9,175.02	138,503.02
Ontario	178,567.04	265,996.08	350,182.04	263,111.44	244,215.09	236,882.20	209,109.59	205,571.27	1,953,634.75
Manitoba	43,000.97	66,381.48	67,964.88	61,166.97	50,031.51	18,199.23	19,390.10	22,819.85	348,954.99
Saskatchewan	38,725.49	34,227.24	39,911.83	49,791.73	40,832.18	24,674.50	23,774.11	19,357.77	271,294.85
Alberta	166,000.00	128,496.37	81,704.86	54,670.11	29,222.05	20,767.22	58,518.88	110,479.74	649,859.23
British Columbia	203,000.00	420,692.47	477,881.65	461,616.66	412,438.72	479,185.67	462,389.82	443,109.55	3,360,314.54
Total payments by fiscal years.	656,595.35	921,596.72	1,054,591.50	997,264.10	931,463.96	856,437.98	801,648.32	826,683.19	7,046,281.12

Questions

ASSISTANCE TO REFORESTATION PROGRAM

Question No. 400—**Mr. Leduc:**

1. In what fiscal year was the assistance to reforestation program initiated?
2. What provinces have entered into an agreement with the federal government in each fiscal year since the inception of the program up to March 31, 1959, and what is the amount paid to each of them in each year?
3. What provinces have not entered into such an agreement?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. 1951-52.

2. The provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, and Prince Edward Island entered into agreements respecting assistance for reforestation in 1951-52: Nova Scotia entered into such an agreement in 1952-53. No programs respecting reforestation, which in all cases except Prince Edward Island are dealt with in the same agreement as that relating to forest inventory, have been received from Alberta and New Brunswick. The payments to each province in each year are shown in the attached table.

3. Quebec and Newfoundland.

REFORESTATION PAYMENTS

Province	Fiscal Year								Total payments by provinces
	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	
	$	$	$	$	$	$	$	$	$
Prince Edward Island	7,500.00	7,500.00	9,651.19	14,379.06	15,000.00	15,572.85	16,036.23	17,280.84	102,920.17
Nova Scotia	—	436.40	427.92	1,067.65	1,200.00	1,882.00	3,929.78	2,751.75	11,695.50
Ontario	61,929.25	85,415.85	85,333.30	103,570.34	109,353.55	126,617.38	19,788.20	157,532.97	749,540.84
Manitoba	—	6,220.00	12,080.67	8,915.48	2,878.16	12,096.22	11,273.50	8,500.00	61,964.03
Saskatchewan	1,235.00	2,537.25	1,359.25	1,062.33	2,690.50	2,929.00	2,098.50	2,705.25	16,617.08
British Columbia	75,145.60	—	—	62,035.00	—	—	—	11,550.00	148,730.60
Total payments by fiscal years	145,809.85	102,109.50	108,852.33	191,029.86	131,122.21	159,097.45	53,126.21	200,320.81	1,091,468.22

Questions

ASSISTANCE IN FOREST FIRE PROTECTION PROGRAM

Question No. 401—**Mr. Leduc:**

1. In what fiscal year was the assistance in forest fire protection program initiated?

2. What provinces have entered into an agreement with the federal government in each fiscal year since the inception of the program up to March 31, 1959, and what is the amount paid to each of them in each year?

3. What provinces have not entered into such an agreement?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. 1957-58.

2. The provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland entered into agreements respecting assistance in forest fire protection in 1957-58. The amounts paid to each province in each year are shown in the following table.

FOREST FIRE PROTECTION PAYMENTS

Province	Fiscal Year		Total payments by provinces
	1957-58	1958-59	
Newfoundland	33,912.96	54,740.89	88,653.85
Prince Edward Island	1,518.15	2,249.63	3,767.78
Nova Scotia	20,532.27	35,808.25	56,340.52
New Brunswick	36,862.32	52,364.07	89,226.39
Ontario	152,598.20	220,708.87	373,307.07
Manitoba	42,049.23	49,839.67	91,888.90
Saskatchewan	49,502.72	68,919.88	118,422.60
Alberta	62,095.77	94,573.20	156,668.97
British Columbia	100,928.38	170,795.54	271,723.92
Total payments by fiscal years	500,000.00	750,000.00	1,250,000.00

3. The Province of Quebec.

ILE AUX NOIX AND FORT LENNOX, QUE.—PUBLIC WORKS

Question No. 417—**Mr. Dupuis:**

1. Since June 1958, has the Department of Northern Affairs and National Resources, or any other agency of the federal government, given orders for the carrying out of any work on Ile aux Noix and at Fort Lennox?

2. If so, what work is involved?

3. Were tenders called for this work?

4. If so, what are the names of those who submitted tenders and the amount of each tender?

5. How many men are employed on such work?

6. Are they paid by the government or by individuals?

7. When will such work be completed?

8. What will be the aggregate cost of the said work?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes, the Department of Northern Affairs and National Resources has given orders for improvement work at Fort Lennox national historic park.

2. General repairs and restoration of Fort Lennox. The specific work involved is as follows: (1) Installation of a heating system in the museum building; (2) Electrical wiring of the museum building; (3) Construction of an underground electrical distribution system; (4) Construction of a timber pile trestle bridge across the moat; (5) Interior renovations to floors, walls and ceiling of the museum building; (6) Repointing and repair of stone walls, casements and gates.

3. Tenders were called for items 1, 2, 3, 4, and for plastering work under item 5. The other work under item 5 and the work carried out under item 6 were done by day labour employed by the department.

4. The tenders submitted were as follows for the items of work as listed in the answer to question 2. The successful contractor in each case is indicated with an asterisk.

Item 1. *Jean-Paul Trahan Ltd., St. Jean, P.Q., $10,219.00; Lemieux and Freres Inc., St. Jean, P.Q., $11,000.00;

Item 2. *Roger Electric, St. Jean, P.Q., $3,112.97; Lucien Dagenais, Iberville, P.Q., $3,312.79; A. Boudry, Fils, St. Jean, P.Q., $4,475.00; Labelle Electric Reg'd., Iberville, P.Q., $3,410.80; Herv Lacasse and Cie, Ltd., Saint John, P.Q., $3,335.00.

Item 3. *Robert Electric, St. Jean, P.Q., $5,651.00; Armco Electric Reg'd., Three

Rivers, P.Q., $6,578.00; C. A. Leonard Electrical Co. Ltd., Perth, Ont., $6,969.00; Common Construction Co. Ltd., Montreal, P.Q., $7,700.00; Bedard-Girard, Montreal, P.Q., $8,480.00; Jean Paul Trahan, St. Jean, P.Q., $8,753.00.

Item 4. *Paul Boucher, Ltee., Henryville, P.Q., $6,950.00; Desourdy Freres, St. Jean, P.Q., $8,200.00; Jean Paul Trahan Ltd., St. Jean, P.Q., $9,315.00.

Item 5. Pastering of ceiling of museum building. *Antonio Levesque, St. Jean, P.Q., $800.00; A. Hebert, St. Jean, P.Q., $1,523.00; W. Bergeron, Iberville, P.Q., $1,525.00; W. Picard, Iberville, P.Q., $7,680.00.

Plastering of walls of museum building: *W. Bergeron Iberville, P.Q., $900.00; A. Hebert, St. Jean, P.Q., $1,053.50; A. Levesque, St. Jean, P.Q., $1,580.00; W. Picard, Iberville, P.Q., declined.

5. Item 1, contractor averaged 4 men. Item 2, contractor averaged 3 men. Item 3, contractor averaged 4 men. Item 4, contractor averaged 6 men. Item 5, contractors averaged 3 men each, department averaged 5 men on this work. Item 6, department averaged 8 men on this work.

6. Those employed by contractors are paid by the contractors. Those employed by the department on day labour work are paid by the government.

7. Items 1, 2, 3, and 4 are completed. Item 5 will be completed by July 30, 1959. Item 6 is expected to be completed in the fiscal year 1961-62.

Questions

8. The aggregate cost of the said work from June, 1958 until the end of 1961 is estimated at $115,000.00.

ROGER DUHAMEL

Question No. 429—**Mr. Argue:**

1. Is Mr. Roger Duhamel a member of the board of broadcast governors?
2. If so, what position does he hold, on what date was he appointed, and how long is his term of office?
3. Did Mr. Duhamel formerly have any business connection with the weekly Montreal newspaper *La Patrie*?
4. If so, what positions did he hold with this paper, and on what dates did they begin and terminate?
5. Does Mr. Duhamel still hold a position with this paper or is he associated in any way with it?
6. If so, what is the nature of such position or association?
7. Is *La Patrie* owned or controlled in any way by La Compagnie de Publication de la Patrie Limitee?
8. If so, in what way, and to what extent?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1. Yes.
2. Vice chairman, appointed November 10, 1958, for a period of seven years.
3. Yes.
4. Associate editor, 1944-47; associate editor, 1952-57; editor in chief, 1957-58.
5. No. Mr. Duhamel does not hold an executive position with this paper.
6. Mr. Duhamel contributes frequently to this paper as well as to other publications.
7. Yes.
8. See answer No. 7.

HOUSE OF COMMONS

Wednesday, May 27, 1959

The house met at 2.30 p.m.

MISCELLANEOUS PRIVATE BILLS

TWELFTH AND THIRTEENTH REPORTS OF STANDING COMMITTEE—CONCURRENCE IN TWELFTH REPORT

Mr. R. J. McCleave (Halifax) presented the twelfth and thirteenth reports of the standing committee on miscellaneous private bills, and moved that the twelfth report be concurred in.

Motion agreed to.

STARRED QUESTIONS

R.C.M.P. PENSION STATISTICS

Question No. 84—**Mr. Howard:**

How many, if any, members of the Royal Canadian Mounted Police went on pension for each year since January 1, 1945, under (a) part 2; (b) part 3; (c) part 5, of the Royal Canadian Mounted Police Act?

R.C.M.P.—PENSIONERS' CONTRIBUTIONS

Question No. 85—**Mr. Howard:**

For each year since January 1, 1945, how many, if any, of those members of the Royal Canadian Mounted Police who went on pension pursuant to part 3 of the Royal Canadian Mounted Police Act made contributions pursuant to part 4 of the said act?

R.C.M.P.—STRENGTH AND PENSION STATISTICS PRIOR TO 1934

Question No. 86—**Mr. Howard:**

How many, if any, Royal Canadian Mounted Police, other than commissioned officers, were members of the force prior to October 1, 1934, and of this number (a) how many elected to make; (b) how many elected not to make, pension contributions under the provisions of part 4 of the Royal Canadian Mounted Police Act?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, perhaps with the consent of the house I might deal with questions Nos. 84, 85 and 86 together.

Mr. Speaker: Has the minister leave to speak to these three questions together?

Some hon. Members: Agreed.

Mr. Fulton: These three questions—particularly the first two of them—ask for information which is of a purely statistical nature and which involve quite lengthy answers giving statistical information. There is no objection whatsoever to giving the information but I think I should say, in view of the nature of the question and the length of the reply, that I have some reservation as to whether this is an entirely proper subject to be covered by a starred question at this stage.

I make that reservation, Mr. Speaker, but subject to any objection which you may raise I would be prepared to supply the answers on this occasion and would suggest that I might be allowed to table the answers to questions Nos. 84 and 85 now as they are purely statistical, so they would appear in *Hansard* at this point.

Mr. Speaker: Is the house willing that the suggestion of the minister be adopted, namely that the answers to questions Nos. 84 and 85 be tabled at this time?

Some hon. Members: Agreed.

Mr. Fulton: To appear in *Hansard* at this point.

Mr. Speaker: And that they appear in *Hansard* at this point.

Some hon. Members: Agreed.

(Editor's note: The answers to the questions referred to above are as follows:)

84.

January 1 to December 31	(a) Part 2	(b) Part 3	(c) Part 5
1945	9	79	NIL
1946	22	98	NIL
1947	9	111	NIL
1948	1	69	NIL
1949	5	81	NIL
1950	6	97	NIL
1951	5	56	6
1952	5	115	9
1953	3	99	3
1954	3	58	7
1955	2	95	9
1956	6	56	12
1957	6	86	13
1958	2	79	13
January 1 to May 13, 1959	1	19	NIL

Starred Questions

85. January 1 to December 31	Part 3, R.C.M.P. act	Part 4, R.C.M.P. act
1945	79	4
1946	98	16
1947	111	17
1948	69	12
1949	81	16
1950	97	31
1951	56	12
1952	115	31
1953	99	36
1954	58	22
1955	95	42
1956	56	28
1957	86	37
1958	79	56
January 1 to May 13, 1959	19	8

Mr. Fulton: With respect to question No. 86, Mr. Speaker, I have taken this to mean how many, if any, of those members on the strength of the force as of May 13, 1959, excluding commissioned officers, were on strength prior to October 1, 1934 and served continuously since the latter date. If any of those members still serving who engaged prior to October 1, 1934, left the force and subsequently re-engaged after that date, they became compulsory contributors to part IV of the act and consequently are not included in the reply as they had no option of electing.

On that basis the answer to question No. 86 is that. On May 13, 1959, there were 143 members of the Royal Canadian Mounted Police on strength, excluding commissioned officers, who were members of the force prior to October 1, 1934. Of this number, (a) 73 elected to make pension contributions under the provisions of part IV of the R.C.M.P. Act; (b) 70 members did not elect to make pension contributions to part IV.

Mr. Speaker: To make sure the record is clear, the minister asked to have the answers to questions 84 and 85 inserted in *Hansard*. I take it that has the consent of the house?

Some hon. Members: Agreed.

AVRO AND ORENDA—DEFENCE PRODUCTION PERSONNEL

Question No. 89—**Mr. Hellyer:**

1. Were any civilian employees of the Department of Defence Production working at Avro Aircraft Limited and/or Orenda Engines Limited as inspectors, liaison officers, etc., on February 1, 1959?
2. If so, how many?
3. How many on May 1, 1959?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, the reply to question No. 1 is that the aircraft branch of the Department of Defence Production maintains a Toronto regional office located at the Avro Aircraft Limited plant at Malton, Ontario, which acts as a liaison group with all aircraft and associated contractors in the Toronto-Hamilton area. The answer to question No. 2 is, three. The answer to question No. 3 is, four.

AVRO AND ORENDA—R.C.A.F. AND NATIONAL DEFENCE PERSONNEL

Question No. 90—**Mr. Hellyer:**

1. Were any Royal Canadian Air Force personnel working at Avro Aircraft Limited and/or Orenda Engines Limited as inspectors, liaison officers, etc., on February 1, 1959?
2. If so, how many?
3. How many on May 1, 1959?
4. Were any civilian employees of the Department of National Defence working at the Avro Aircraft Limited and/or Orenda Engines Limited as inspectors, liaison officers, etc., on February 1, 1959?
5. If so, how many?
6. How many on May 1, 1959?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, this question is divided into six parts and the answers are as follows: 1. Yes; 2. 56; 3. 47; 4. yes; 5. 57; 6. 50.

[*Later:*]

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to address a question to the Minister of National Defence based on his reply to question No. 90 today. In view of the fact that the Department of National Defence has maintained most of its liaison and inspection staffs at Malton and at Orenda Engines Limited in Toronto, does the minister expect that their services will soon be required there again?

Hon. G. R. Pearkes (Minister of National Defence): Their services are required at the Avro plant at the present time. They would not be there if they were not required. There are other projects going on; for instance, the inspection of the aircraft spares which are being sent over to Belgium, for the CF-100's. This is the sort of duty on which these staffs are presently employed.

Mr. Hellyer: May I ask a supplementary question. Is the minister trying to convey to the house the impression that all these people were employed on the present projects before the cancellation of the Avro Arrow?

Mr. Pearkes: Not necessarily. Some were employed on the Avro Arrow and others were employed on various projects which are going on now.

NATIONAL DEFENCE PERSONNEL, GOOSE BAY AIRPORT

Question No. 91—**Mr. Tucker:**

1. How many casual and prevailing rates employees were employed on the latest available date, by the Royal Canadian Air Force and/or the Department of National Defence at Goose Bay airport?

2. How many of the said employees were hired in the province of Newfoundland?

3. How many of the said employees were ordinarily resident in Newfoundland before taking up their present employment?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, this question makes inquiries regarding the prevailing rate employees at Goose Bay. The answer to the first question is that there are 201 employees there. The answer to the second part, which inquires how many were hired in the province of Newfoundland, is 100. The answer to the third part is 100. I might add that on February 18 last I announced in the house that arrangements were being made to recruit all personnel for employment at Goose Bay within the area covered by the national employment office at St. John's, Newfoundland. These arrangements became effective at the beginning of this month.

APPOINTEES UNDER SECTION 3, BROADCASTING ACT

Question No. 92—**Mr. Fisher:**

1. Has the government appointed anyone to the three full-time positions set out in section 3(1) of the Broadcasting Act?

2. If so, whom?

3. Has each of these appointees since appointment been working under the provisions of section 3(8) of the Broadcasting Act?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the answer to No. 1 is yes. The answer to No. 2 is: Dr. Andrew Stewart; Mr. Roger Duhamel; Mr. Carlyle Allison. The answer to No. 3 is: I have been so advised by the parties concerned.

CITIZENSHIP COURT, HAMILTON, ONT.

Question No. 93—**Mr. McMillan:**

1. Has a citizenship court been established in Hamilton?

2. If so, who is the presiding judge, what is his salary and what was his previous employment?

3. Who is the clerk, what is the salary for this position and what was his or her previous employment?

4. What is the estimate of the total annual cost of said court and the number of cases to be dealt with annually together with the number of employees?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to the first part of the question is that a citizenship court has been established in Hamilton on April 15, 1959. The answer to the second part is that Mr. Beamer William Hopkins, Q.C., former magistrate, has been appointed as president of the court at a salary of $11,000 per annum. The answer to the third part is that the position of clerk of the court is still vacant. The salary for that position is from $6,380 to $7,020. The answer to the fourth part is that the cost of furnishing and equipping the court is $10,917.10. The total salaries for the four employees provided on the establishment is $24,360. It is estimated that a minimum of 5,000 applications under the Canadian Citizenship Act would be handled by that court, which would produce revenue of approximately $35,000.

[*Later:*]

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): With respect to the answer to question No. 93 given by the Minister of Citizenship and Immigration, could I ask the hon. lady whether the position of clerk of the citizenship court in Hamilton is a civil service position, and whether there will be a competition?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The answer is yes to both questions.

QUESTION PASSED AS ORDER FOR RETURN

ST. LAWRENCE SEAWAY AUTHORITY—WORK ORDERS

Question No. 434—**Mr. Argue:**

1. Have any work orders been issued by the St. Lawrence seaway authority since January 1, 1955?

2. If so, what is the total number issued in each year since 1955, January 1?

3. What is the total number of work orders issued on each contract, and the name of the company holding the contract?

4. On what date was each order issued, for what amount, what specific work was involved, what official of the authority authorized it and what official signed each?

5. Have any of these work orders been completed?

6. If so, which ones, on what date, by what company, on which contract?

7. Has payment been made by the authority on any of these orders?

8. If so, which ones, the amount paid, on what date, to what company?

NATIONAL DEFENCE

NORAD—REFERENCE TO EDITORIAL IN MAGAZINE "DATA"

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of National Defence whether he

has any comment to make on an editorial which has appeared in the American technical aviation magazine called *Data*, and which is reportedly based on information supplied almost verbatim by a ranking officer of NORAD, which states among other things that the United States, both politically and militarily, regards as "utterly silly" Canada's claim that the North American air defence command is merely an extension to this continent of NATO.

Hon. G. R. Pearkes (Minister of National Defence): I think the statement alleged to have been made in this paper is utterly silly.

[*Later:*]

Mr. Pearson: May I ask the Minister of National Defence whether, in regard to the article I have just brought to his attention, he considers also as "utterly silly" the statement in that article that a dozen United States officers assigned to the R.C.A.F. air defence command at St. Hubert for NORAD duty had to appear as liaison officers in civilian clothes because of political implications.

Mr. Pearkes: Yes. I consider that even more stupid than the first part.

(Translation):

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO LETTER OF PROTEST RESPECTING FRENCH TELEVISION PROGRAM

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Is the minister aware that a letter from the Episcopal council of the civil province of Quebec has been sent to a C.B.C. director in Montreal, protesting against certain French T.V. programs? If so, would he care to comment on the matter?

(Text):

Hon. George C. Nowlan (Minister of National Revenue): I have no knowledge of any such letter. If it has been sent to the director, then of course it would not have come to my attention anyway; it would be a matter for the corporation. I will make inquiries and inform the hon. member whether such a letter has been received.

HOUSING

REPORTED SHORTAGE OF MORTGAGE FUNDS FOR HOME CONSTRUCTION

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to address a question to the Minister of Public Works. Further to our exchange of yesterday, is the minister now in a position to advise the house and the country what action the government proposes to take at this time to alleviate the shortage of mortgage funds for house construction?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, this is the same question as the hon. gentleman asked me yesterday, and I submit that it is not in order to put the same question again in the same form.

Mr. Garland: I wonder if the minister realizes that a 50 per cent reduction in house construction in Canada this year would, by the minister's own statement, eliminate 200,000 jobs.

Some hon. Members: Question.

Mr. Speaker: It is not open to the hon. member to make statements and give information under the guise of asking a question. I believe what the minister says is correct; this is precisely the same question, and unless there is some addition or variation it would be out of order.

Mr. Garland: I gathered the impression from the minister's reply yesterday, Mr. Speaker, that he was meeting with the National House Builders' Association today and that we might expect some information.

Mr. Green: I am meeting with the National House Builders' Association this afternoon. In the meantime I have found that the figures quoted by the hon. member yesterday were just about half what the proper figures should be.

BUSINESS OF THE HOUSE

INQUIRY AS TO AMENDMENTS TO BANK ACT

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): May I ask the acting Prime Minister whether it is the intention of the government to introduce at this session amendments to the Bank Act which would allow the raising of interest rates to the banks of Canada?

Hon. Howard C. Green (Minister of Public Works): No, Mr. Speaker.

HARBOURS

LAKEHEAD—REPORTED CHARGES BY PORT ARTHUR CITY COUNCIL

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Transport. Has the minister been informed of the charges made by the Port Arthur city council that the council of the city has been

betrayed and sold down the river in the appointments to the lakehead harbour commission? If so, has he any comment to make or any information on the matter?

Hon. George H. Hees (Minister of Transport): The answer, Mr. Speaker, is no.

Mr. Pickersgill: To which question?

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

The house resumed, from Tuesday, May 26, consideration of the motion of Mr. Churchill for the second reading of Bill No. C-49, to provide for the establishment of a national energy board, and the amendment thereto of Mr. Peters.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the amendment before the house is that the bill be not now read a second time but that the subject matter be referred to a standing committee of the house. We would hope that hon. members would support the amendment as a means of getting this subject before a standing committee of the house so that witnesses could be called to discuss the provisions of the bill and the major omissions in its provisions so that as a result of the meetings of such a committee we could hammer out a national energy policy that would meet the needs of the Canadian people.

In view of the statement made by the Leader of the Opposition that the bill should be referred to a committee of the house, and in the light of the reply made by the government to that suggestion, that the bill would not be referred to a committee, I would hope the members of the official opposition will support the C.C.F. amendment now before the house. It seems to me that they would place themselves in an impossible position by advocating at one time that the bill be referred to a committee and then voting against this amendment which seeks that very procedure.

A great deal has been said about the speculative stock holdings of certain promoters of Trans-Canada Pipe Lines Limited and other pipe line companies. The history of the Trans-Canada speculation is set out very clearly on page 62 of the report of the royal commission on energy, where it is pointed out that some 1,926,182 shares were issued at $8 per share and, according to the royal commission report, on the basis of the selling price of these shares in August of last year these outstanding shares would mean to their holders capital gains in the order of some $60 million.

Therefore it is very evident that the action of the former administration in providing money for this company enabled tremendous capital gains to be made. This is the point we have been complaining about, that when public money was placed at the disposal of this company Canada's national interests were not protected. Speculators were allowed to reap fabulous profits, and instead of this government, which promised action against the buccaneers and speculators, taking appropriate action it has brought in a measure that will not only permit but appears to guarantee that this nefarious scheme will be maintained in perpetuity.

The Prime Minister attempted to draw a red herring across the debate yesterday when he referred to some of the things that had been done in the province of Saskatchewan. As I said last evening, he did not point out, as he should have, that in the field of transportation of natural gas, in Saskatchewan natural gas is under the control and operation of a publicly-owned corporation, the Saskatchewan Power Corporation. But he endeavoured to bring in two examples of industries that have been brought to Saskatchewan with the assistance of the industrial development office of that province. I hope to be able to point out, Mr. Speaker, that the assistance of the government of Saskatchewan in this regard is very different from the action of the former administration and the condoning of that action by the present government.

The first company to which the Prime Minister referred was the Saskatchewan Cement Company, which came into the province of Saskatchewan to set up a new industry at least partly because the Saskatchewan government guaranteed a loan of $5½ million to that company. I want to point out, Mr. Speaker, that for Saskatchewan this is a new industry and a new company; that in view of the general cement monopoly in the country this was not an action that created a monopoly but was intended, at least to some extent, to break an existing monopoly and provide certain competition.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but he is having a good deal of competition from various parts of the house. Notwithstanding his strong voice I find difficulty in hearing him. I wonder whether hon. members who are transacting business in the aisles and other places would moderate their tones.

Mr. Argue: Thank you, Mr. Speaker. This seems to be a regular chore a few minutes after the first speaker takes the floor following the orders of the day.

I was saying that the Saskatchewan government had provided a guarantee to assist

this company to come into the province of Saskatchewan. One of the reasons it provided such a guarantee to assist this company was an endeavour to bring in a new industry which would provide some competition for an existing monopoly. It was much different from the creation of the trans-Canada pipe line, which brought in a monopoly. This was the very opposite; it was brought in to provide certain competition.

Another point in which there is a great deal of difference is that the national treasury of this country, through action taken by the former administration and now condoned and supported by this administration, in fact has supplied a very substantial monetary bonus to the trans-Canada pipe line company. This has been done, and it continues to be done today, through the crown corporation by having advanced to it sums in excess of $100 million at a rate of 3½ per cent. Trans-Canada Pipe Lines Limited has an option to purchase the Ontario section of the line, and in fixing the rental terms Trans-Canada Pipe Lines Limited has calculated, as a basis of fixing those terms, an interest rate of just 3½ per cent.

We all realize the very rapid increase in interest rates in this country. I find that on February 18 of this year $200 million of government bonds were yielding rates of 4.76 per cent and 4.94 per cent. At the rate interest rates are advancing in the country it will not be long, apparently, unless something is done to halt them, until interest rates on government borrowings may reach the 5½ per cent that the Saskatchewan Cement Company is paying for the money it obtains. But so far as the provision to which I have referred is concerned with the federal government, there is a bonus to the extent that the interest rate exceeds 3½ per cent, a bonus to Trans-Canada Pipe Lines Limited. The Saskatchewan government, on the other hand, in guaranteeing this loan to the Saskatchewan Cement Company obtains for itself an interest rate of 2 per cent; that is, 2 per cent of the 5½ per cent interest is paid by the company into the provincial treasury.

What has happened in Saskatchewan, therefore, is that not only has the Saskatchewan government been successful in encouraging a new industry to locate in that province, but in exchange for its guarantee on loans of $5.5 million at an interest rate of 5½ per cent the Saskatchewan government receives a fee of 2 per cent and the bank concerned receives an interest rate of 3½ per cent. The Saskatchewan government has added to its provincial income $110,000 per year by this action. This type of action is certainly far removed from the type of action taken by this government in bonusing the buccaneers and pirateers.

Mr. Churchill: Why does the hon. member not answer the Prime Minister's argument instead of skating around the edges? The Prime Minister spoke about the fact that the Saskatchewan government in this instance, and I quote his words, "...allowed the promoters to take 130,000 shares at 60 cents a share," while there was a public offering to the average person at $6 per share?

Mr. Argue: Mr. Speaker, I thought the Minister of Trade and Commerce could read, and I thought when he read that he would be able to understand. His question has to do with another company. I shall answer the question, but he should have kept his question until the company concerned was under discussion. No shares of the cement company so far as I know, and the Prime Minister did not say so, are in the hands of the Saskatchewan government.

Now, Mr. Speaker, I turn to the arrangements with the steel company. I want to point out just how different this is—I will answer the question—from the position of this government which condones the action that was taken by Right Hon. C. D. Howe, something that was called "old stuff" last night. I have already said that the almost 2 million shares passed around by Trans-Canada Pipe Lines Limited at $8 resulted in capital gains of some $60 million, according to the royal commission report. The federal treasury has received nothing. The people of Canada have obtained nothing. As a matter of fact there has been a drain on the federal treasury.

Now, that is a different attitude from that which was taken by the Saskatchewan government in exchange for the guarantee they provided for the Interprovincial Steel Corporation. The Saskatchewan government retained for the people of Saskatchewan 180,000 shares at a rate of 60 cents per share, and the promoters of the company obtained only 130,000 such shares. The people of Saskatchewan, therefore, in return for a guarantee that was given to this company retained for themselves a greater number of shares than were provided to the promoters of this industry. On the basis of the current value of these shares the Saskatchewan government, if it so wished at this time, could obtain for the people of Saskatchewan the sum of $1,200,000 for its guarantee and for the shares it now holds.

There is the difference, Mr. Speaker. The Saskatchewan government, in assisting this company to come to Saskatchewan to set up a new industry in that province, to assist in

the employment of the people in that province, obtained for itself 30 per cent more of the promotional shares than were obtained by the promoters themselves. We feel that if this government or the previous administration had taken the same attitude they would not have been going all the way we would like to see them go in the field of public ownership, but the Canadian people would have had a substantial amount of stock in this pipe line and would obtain substantial monetary returns.

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

Mr. Argue: I will permit a question when I have concluded my remarks.

Mr. Hees: I do not blame you for not wanting to answer.

Mr. Argue: Your questions are not so tough.

Mr. Hees: I know you cannot answer it.

Mr. Argue: When you are hurting them a little, then they start to complain.

Mr. Hees: You are not hurting us, you are hurting yourself.

Mr. Argue: All these barks are coming from hon. members in the recesses who say nothing, and who are not able to get up and take part in the debate.

Mr. Hees: Why not answer a simple question?

Mr. Argue: It would probably be a simple one, coming from the minister.

Mr. Hees: Why not just answer a straightforward question?

Mr. Argue: On the basis of the shares having been divided in the same way for the trans-Canada pipe line the people of Canada, instead of providing a large sum of money, instead of providing an interest bonus, would have an ownership of stock today to the value of $80 million. There is the answer to the Prime Minister. Here is the action of the government of Saskatchewan which protects the legitimate interests of the people of Saskatchewan when a guarantee is provided by obtaining for the province a substantial block of shares at a low price—

Mr. Hees: You still do not want to answer a question?

Mr. Argue: All right; I will hear from the minister.

Mr. Hees: I should like to ask the hon. member this. Do we take it he agrees that it is quite a satisfactory practice so far as his party is concerned for promoters to retain for themselves, or give to other promoters concerned with the deal, stock at considerably lower prices than those at which the stock is offered finally to the general public?

Mr. Argue: I think when it comes to a national pipe line in Canada—

Mr. Hees: Answer the question.

Mr. Argue: I will come to the question. You asked the question; just let me answer it. When it comes to a pipe line going across this country in connection with which the federal government has ample resources, that kind of action is not necessary. I did say, Mr. Speaker, and I repeat, that if this government had gone even that far it would have meant a substantial improvement for the people of this country.

Mr. Hees: Mr. Speaker, would the hon. member please answer my question?

Mr. Argue: I will.

Mr. Hees: You have not done so; you are afraid.

Mr. Argue: Oh, don't be so childish.

Mr. Hees: Answer that question; come on, let's go.

Mr. Speaker: Order; the hon. member has the floor.

Mr. Pickersgill: The Minister of Transport thinks he is back in the opposition.

Mr. Hees: Let us have a yes or no answer, if you are capable of such an answer.

Mr. Argue: I could ask the minister a question on a straight yes or no basis which he would rather not answer. These people are interested in hearing a reply, yet there are 100 of them giving the reply themselves.

Mr. Hees: We are listening.

Mr. Argue: It sounds like it. I think when it comes to the development of a new industry within a province, action taken by the provincial government within that province where it has not the financial resources of the federal government, and where it retains for the ownership of the people of Saskatchewan more than half of the shares, is sound and sensible. I say that on that basis the answer is yes to the question of the minister.

Mr. Hees: Thank you very much. That is just fine.

Mr. Argue: It is an amazing transformation—

Mr. Hees: It certainly is.

Mr. Argue: —since 1956 and what was said about Coates and Tanner, and the Texas

buccaneers. This government was against what was being done then. Now that they are in office they are protecting everything that was done, and they are protecting what has been done even in face of recommendations of the royal commission they set up which would provide some effective controls for these companies.

Mr. Speaker, the legislation that is being proposed does not really set up a national energy board at all. It does not set up a national energy board that has control of the energy resources of this country. The energy board that has been set up has been given a certain minimum jurisdiction with regard to gas pipe lines and oil pipe lines and the possibility of certain control over electrical energy, but this is a minimum of control. This board, a creature of the government, a creature of the cabinet, will not be allowed to function as a board should be allowed to function, namely as an independent tribunal removed from immediate control and manipulation by the cabinet, and removed so far from that control and manipulation that only when major decisions are made could an appeal be made to the cabinet.

Mr. Churchill: I rise on a point of order, Mr. Speaker. I think the phrase "manipulation by the cabinet" is unparliamentary and should be withdrawn by the hon. member.

Mr. Pickersgill: Rubbish.

Mr. Argue: How thin can their skins get, Mr. Speaker? I say it would be manipulated, mangled and torn asunder by this government for political reasons.

An hon. Member: Nonsense.

Mr. Argue: If the government did not wish to do these things for political reasons it would not have kept to itself all the power that it ostensibly says it is placing in the hands of this board. From the very minister across the way who has asked this question we used to hear about an all-powerful government with an all-powerful minister, and that parliament was being cast aside. What the former administration has done in this regard this government is maintaining and perpetuating in the bill.

Mr. Churchill: Nonsense.

Mr. Argue: It is making the governor in council the master. It is making this board a plaything of the government.

Mr. Churchill: Nonsense.

Mr. Argue: When the Prime Minister complains that it is hard to get able men to staff such a board, I say no wonder. Who would like to be placed in the position of being just a pawn of this government? That is the position in which people who accept the responsibility of serving on this board will be placing themselves.

This board has practically no power except as it is allowed to exercise that power by the government. This cabinet control, this cabinet dictatorship over the board is maintained even in areas of authority where you would think the board would be allowed to operate without question. The board can issue regulations for the protection of property and for the safety of employees, only with the approval of the governor in council. It is the governor in council who will say whether, in fact, there will be promulgated regulations that will protect property and protect the safety of the employees. The government keeps the power. The board has the power to issue a certificate for a pipe line if the board is convinced of a number of things such as the availability of gas, markets, economic feasibility and financial feasibility and whether or not it is in the public interest. The board can issue a certificate subject to the approval of the governor in council. It is the cabinet that will decide.

The board may, with the approval of the governor in council, revoke or suspend a certificate if there has been a violation of the terms on which it was issued. Why should the government be the judge as to whether or not there has been a violation?

An hon. Member: Because they are responsible.

Mr. Argue: It is the cabinet that will say whether or not effect will be given to a recommendation by the board that a certain certificate be suspended even if there has been a violation of the terms. Hence the cabinet can condone a violation of the terms. The cabinet can condone the actions of a company that fails to abide by the terms of the certificate.

There is another part of the bill, Mr. Speaker, which says that lines of a shorter distance than 25 miles will not be subject to all these provisions, and that lines in excess of 25 miles can be exempted from all of part III of the bill by the cabinet or by the governor in council. As a matter of fact, Mr. Speaker, when one goes over this legislation one finds there is little room left for the operation of a board that wishes to do a job. As a matter of fact the board is not even given the authority to control tariffs and tolls in advance of their being set. A company shall not charge any tolls except tolls specified in a tariff that has been filed with the board.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but I must inform him that his time has expired.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I had not intended to take any part in this debate until the Prime Minister made that incredible political speech which he made yesterday, most of which had nothing to do with the bill. I hope we shall have freedom to refer to the Prime Minister's irrelevancies as well as to those very few respects in which he dealt with the bill at all.

Before I say anything about the Prime Minister's speech I should like to say that, in looking through *Hansard* for 1957, I found a speech made by the Minister of Public Works on the amendment to go into supply, to which the Prime Minister referred yesterday.

Mr. Churchill: What is the page number?

Mr. Pickersgill: The page numbers are 1171 and 1172; at least the references I am going to make are to be found there. I may say that, from reading this speech, the thought struck me that we were now seeing the end of a beautiful political friendship. Perhaps the speech to which we have just listened by the hon. member for Assiniboia is evidence of this unhappy end. Here are a couple of gems from a speech by the Minister of Public Works only two years ago:

> The Conservatives and our C.C.F. friends, on the other hand, stood firm from the start for a Canada-first policy . . . Who was it advocated a Canada-first policy in bringing gas to eastern Canada? It was not anybody on the Liberal side of the house . . . No; again it was the Conservative and C.C.F. members who advocated that policy.

We remember the day when this beautiful friendship existed, and we are seeing the way in which it is being dissolved in recent times. I was very much interested in the rather feeble defence made by the hon. member for Assiniboia of certain of these corporations in Saskatchewan, but I do not intend to enter into that irrelevancy. However, what I suggest to the hon. member is this. Whatever may have been the case in 1956, I think in view of the financial policies of the government and the financial muddle in this country at the present time, for the minister to suggest that we have now ample resources to nationalize any great pipe line is, having regard to the present state of the bond market, a travesty on the facts. That might have been possible in the days in 1956 when this country was being well administered, but it would be a very difficult thing to do today. I imagine the hon. member for Assiniboia would agree with that.

Mr. Churchill: Excuse me, but I think my hon. friend used the word "minister" instead of "member".

Mr. Pickersgill: That is one of the reasons there has been such an about-face by the present government on this question.

Mr. Churchill: Mr. Speaker, on a point of order, I draw the hon. member's attention to the fact that in the course of his remarks, in referring to the hon. member for Assiniboia he used the word "minister", which I think might be indicative of me rather than the hon. member for Assiniboia.

Mr. Pickersgill: If I did, it was by sheer inadvertence. I would say that the chances of the hon. member for Assiniboia being a minister are even less than those of the hon. member for Winnipeg South Centre remaining one for very long.

Mr. Argue: At least I was not kicked out.

Mr. Pickersgill: That is right.

I would now like to turn to some things the Prime Minister said yesterday, and I will deal with them consecutively. The Prime Minister referred in the first place to his queries in the year 1957 about the interim report of the Gordon commission and the recommendation in that report for a national energy authority. He said twice in his speech yesterday, as reported on page 4017 of *Hansard* and again several pages later at page 4022, that Mr. Lesage had been very disparaging about that suggestion. Of course that is not true at all. The fact was that a debate was under way on an amendment of the Prime Minister's on a motion to go into supply, and what Mr. Lesage did in fact say was—

Mr. Pigeon: Who is Mr. Lesage?

Mr. Pickersgill: Mr. Lesage is now very well known to the hon. gentleman, and he will be much better known in the future. All Mr. Lesage had to say about that matter, Mr. Speaker, was that there was already a committee, an interdepartmental committee, performing certain functions in this field. He simply made a factual statement and expressed no opinion one way or the other about an energy board, and for the very good reason that the final report of the Gordon commission had not yet been delivered; and until that report had been delivered it would have been premature to take any such action.

The Minister of Public Works (Mr. Green) had something to say about the Gordon commission in that same debate.

Mr. Green: What page?

Mr. Pickersgill: Page 1171. The minister might like to have his memory refreshed about

that, and I will refresh it for him by reading a little bit of his speech. He said:

> Mr. Speaker, it is a very sad thing to happen to a million dollar report. I feel extremely sorry for Mr. Gordon for the way the recommendations made by him and his fellow commissioners have been treated by the members of the cabinet. But there the report is and it merits study by all Canadians, even though the government tries to shove it under the rug.

I would suggest that the minister needs to substitute only one word and that is to put "Borden" in place of "Gordon", and it would be a very apt description, indeed, of what has happened to the Borden commission and the Borden report. The fact of the matter is, as the Leader of the Opposition said so very clearly, it seemed to me, the other day, that what the government has done after two years with the Borden commission is to go back to the Gordon commission and follow the recommendations, the sensible recommendations, which they made and which were in the hands of the present government just about the time the Borden commission was appointed in the autumn of 1957. It should not be forgotten—I shall not repeat this because it was put on record by several members on this side of the house—that the Prime Minister, prior to the election of 1957, had promised that this problem would be dealt with promptly and immediately, that it was urgent. Of course the word "immediately" is a word the Prime Minister is fond of using, and it seems to have in his mouth a singular meaning indeed.

I would now like to refer to another reference by the Prime Minister as reported on page 4020 of *Hansard* of yesterday, where he took exception to the Leader of the Opposition saying that the Borden commission had been an expedient, a delaying action. He suggested that because the Leader of the Opposition, quite properly, said the Borden commission was a delaying action, we should be arguing that this bill should be put through without any delay, and that we were the ones who should be demanding immediate action on this bill. If this bill had followed faithfully the recommendations of the Borden commission the government might have had some ground for saying that parliament should deal with it, because there have been a good many months now in which to study the recommendations of the Borden commission. But the government comes in with a bill which practically repudiates all the recommendations of the Borden commission and substitutes something entirely different, and then asks parliament to rush it through without any adequate or proper consideration. That is what we on this side of the house are objecting to and what we still object to.

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

Mr. Pickersgill: Yes.

Mr. Broome: Does the hon. member intend to vote against the setting up of the board?

Mr. Pickersgill: It has been made very clear that we do not intend to, and I can tell the hon. gentleman why. This bill, in its operative parts, is simply a codification of the existing legislation. It simply puts under one board and into one act powers which already exist, all of which were put on the statute books by the Liberal government. So why in heaven's name should we vote against the principle of the bill, because they are the very principles which were condemned by hon. gentlemen opposite and are very different from those recommended by their chosen commission, which they have disregarded.

The only thing we object to in a really fundamental way is the little "war measures act" in clause 87, this attempt by the government to clothe itself with unlimited arbitrary powers, and I will have a word more to say on that in a moment. Mr. Speaker, perhaps it might not be amiss, indeed, if I said it right now. The Prime Minister referred, in tones which did not sound very like the hon. member for Prince Albert of some years ago, when he was in opposition, to the wails about the danger of authority given to the governor in council under this legislation. He now calls them wails when people object to government by order in council. If that is what they are, there never was a wailer in this house like the Prime Minister.

I would like to read to you, sir, a few things, in case a lot of people have forgotten about them, the Prime Minister had to say in another debate about a proposal to give the government certain powers to act under order in council for the national defence and security of Canada.

Mr. Lambert: Make sure the circumstances are the same before that is done.

Mr. Pickersgill: The circumstances are by no means the same, and I am glad the hon. gentleman made that interjection.

What we were dealing with in 1959 was the national defence and security of this country, and whether the course recommended by the government of that day was right or wrong; that was its purpose, and if there is any purpose for which emergency powers can properly be asked of parliament, it is for that purpose. But here this government is asking for unlimited arbitrary powers to do something in an emergency which the government itself says it is not satisfied may arise, in connection with an ordinary commercial activity—powers

whose application would be unpredictable, or at least, I thought it was unpredictable until I heard the hon. member for Calgary South (Mr. Smith) speak last evening. He really let the cat out of the bag.

Mr. Green: Before the hon. member leaves that point, may I ask whether he is in favour of having control over the export or import of oil included in this bill or not?

Mr. Pickersgill: I am not in favour of having control over the export and import of oil included in the bill until the government defines the precise nature of the controls it proposes to exercise, and we in parliament, who are elected by the people of Canada, have our say about what they should be. It may be that circumstances will arise when controls are necessary, but they are certainly not necessary now in my submission.

Mr. Green: Would the hon. gentleman say—

Mr. Pickersgill: Perhaps the minister would make his speech when I have made mine. The Minister of Trade and Commerce (Mr. Churchill) said himself the other day that controls were not necessary. I will be very glad to answer any questions when I have finished. I have a lot of things I want to say, and I am limited by time.

Mr. Horner (Acadia): A lot of things you want to read.

Mr. Pickersgill: Yes, a lot of things I want to read, and I might say it would profit the hon. member to hear some of the things which the Prime Minister (Mr. Diefenbaker) used to say when he was on this side of the house. Here is another of the things which the Prime Minister had to say on June 9, 1955. I notice that there is a singular reluctance on the part of hon. gentlemen on my left to hear what the Prime Minister had to say before he became Prime Minister, and I must say that I cannot blame them. The hon. member for Prince Albert, as he then was, had this to say:

> I ask the Prime Minister now: do you have to circumvent the rule of law in order to achieve power under this legislation? Nothing of the kind! Have the powers, but in order to assure that no individual shall be discriminated against and denied equality before the law, to assure that the individual shall not be a puppet in the hands of the minister, give to the individual who is able to establish that he has been discriminated against a right of review by the courts of the land.

Here is a power to prohibit—a power to prevent—absolute, unlimited power, and that is what we object to. And then the Prime Minister said as reported at page 4564 of *Hansard*:

> Have we come to a condition of affairs in this country where any person occupying the almighty position of a minister of the crown in the federal parliament can, with the assistance of the cabinet, fix prices—

As they certainly can, under the powers for which they are asking; that could certainly be done by order in council. And then the hon. gentleman went on:

> Have we arrived at a position in Canada where gluttony for power will permit the governor in council to say, "I fix the price of essential services on hydroelectric"—

It is extraordinary how these things come home to roost. And then, on page 4566, the hon. gentleman said:

> I ask the Prime Minister why the inclusion of arbitrary powers such as these? The answer given is: we do not use them.

That is exactly what the Minister of Trade and Commerce has said—we do not use them; we do not even know what we want them for. But in 1955, the right hon. gentleman who is now Prime Minister continued:

> What have you them for—a club, a threat, intimidation? Do you want the sword of Damocles to hang over everybody? Oh, we do not use these powers! Why have these inexcusable powers? . . . Where is the rule of law? Have we placed the rule of law in the refrigerator of security?

It is not in the refrigerator of security today; it is just in the refrigerator of protecting commerce. And the hon. gentleman went on:

> The tyranny of the majority is a multiple tyranny. No better answer can be given today than that. It is no excuse that you have a big majority.

I could read more, but I think that is enough to illustrate the point I am making.

Mr. Churchill: What was the reference? I have the pages, but I did not get the date.

Mr. Pickersgill: June 9, 1955. I am surprised the minister should have forgotten. I was reading from pages 4562-4566.

Until the hon. member for Calgary South spoke last night we did not know why the government wanted these powers. But the hon. member told us why these powers were wanted. He said we might have an emergency; an emergency might arise very suddenly; oil might be dumped from some other countries. It is only a few months ago that we fought bitterly against legislation to give the government powers which we did not think were justified to prevent something which the administration was pleased to call dumping. We felt those powers went far beyond anything that was required. The Minister of National Revenue (Mr. Nowlan) is already armed with what we consider to be arbitrary and excessive powers to prevent what the government is pleased to call dumping—powers which are virtually sufficient to exclude almost any kind of import from entering this country.

Now the government wants another individual to be clothed with even greater powers—power to prevent import, power to

prevent export, power to regulate the flow of this commodity in any undefined way which suits him. Such power, were it to be given to the government to use, could have a very detrimental effect indeed upon many areas of this country. There are many parts of Canada which cannot possibly be supplied by any pipe line from the Canadian oil fields and while we agree that in certain circumstances we would feel, as the Leader of the Opposition (Mr. Pearson) pointed out yesterday, that steps might have to be taken to protect the interest of the people engaged in this industry, as in any other great Canadian interest, we do not feel that an emergency of a kind which anyone could reasonably foresee at the present time is likely to arise so suddenly that parliament could not be called upon to deal with it.

Mr. Lambert: Nonsense.

Mr. Pickersgill: We hear the hon. member for Edmonton West (Mr. Lambert), one of the followers of these almighty and powerful ministers, with their big majority, say that an emergency might come so quickly that parliament could not deal with it. We do not give the government the power to declare war without calling parliament. Surely in these days of air transport, and with all the facilities which are available, no one could seriously argue that if an emergency did arise in the oil industry it would not be possible for parliament to meet and deal with it.

We all recognize the importance of this industry to the economy of the country. We all hope it will be of increasing importance to the Canadian economy, and I am confident it will be so. But surely no one could argue that any emergency is likely to arise so quickly that it could not be dealt with by means of the extensive, indeed, far too extensive powers already given to the Minister of National Revenue under the Customs Act; without it being necessary to superimpose this absolutely unlimited power over the import and export of this particular commercial commodity.

Oil is really quite different from gas. Continuity of supply to a community that has gas is all important. There is a public interest there that has to be preserved and protected and everybody in the house has always recognized that. But oil is perhaps one of the greatest commodities entering into international commerce, and to suggest that the kind of emergency might arise when there would not be a supply of oil for the few days required to call parliament is just absurd. The only conclusion one can reach is that the government and perhaps the hon. member for Calgary South, who represents a constituency once represented by a former prime minister who was the greatest protectionist we ever had in this country, and perhaps this is the real nigger in the woodpile—

Mr. Green: Oil is under export control now.

Mr. Pickersgill: Perhaps the real purpose in getting this arbitrary power is to do something in the secrecy of the closet by order in council that they would not dare to come to parliament and ask to have done openly. That is the only conclusion one can reach with respect to the demand for this arbitrary power. Perhaps, of course, since the Prime Minister dragged the Alberta provincial election quite unnecessarily and irrelevantly into the debate yesterady, it is to try to create the same kind of impression in Alberta as they tried to create in Ontario by calling the phony federal-provincial conference for next July. I do not think it will work very well in either case.

But what is really important, as the Prime Minister pointed out with such eloquence in 1955 and as the Minister of Trade and Commerce (Mr. Churchill), the Minister of Finance (Mr. Fleming), the Minister of Justice (Mr. Fulton) and all these other crusaders for the rights of parliament pointed out in those days, is the rights of parliament. But here this is being done without any excuse of national security, without any suggestion that there is any reason whatever for it. Indeed, the minister went further than that. He said that they could not do this until they get instalment two of the Borden commission report, because they may tell the government how they should do this, but in the meantime they want the power anyway so they will not have to have a debate in parliament. You know, we have been bitten twice in this session on that very point. The Minister of Citizenship and Immigration (Mrs. Fairclough) got her estimates through and then the very next day she got an order in council passed whose sense was the exact opposite of the impression given here in parliament.

Mr. McDonald (Hamilton South): On a point of order, Mr. Speaker, we are dealing with the energy bill, not with the Department of Citizenship and Immigration. I think the hon. gentleman should confine his remarks to the energy bill.

Mr. Pickersgill: On the point of order, Mr. Speaker, I was reasoning by analogy and my analogy was strictly relevant, unlike some of the arguments we heard from a very exalted source yesterday.

Mr. Speaker: This is not a narrow debate. It has ranged fairly wide so far and unless the hon. member wants to pursue the matter he alluded to I do not think I need to intervene.

Mr. Pickersgill: I had no intention, of course, to do more than make my analogy. Of course, the other analogy that comes very much to our minds I perhaps could not properly make under the rules because it has to do with another measure that is still under consideration. I will reserve it for the time when that measure comes back into the house but it will be in everyone's mind.

The plain fact is that this government twice in the present session has shown that it is not to be trusted, that it cannot be trusted with the power to make even the most ordinary kind of orders in council and to give parliament proper opportunities to debate them. A new and subtle form of closure has been imposed upon us and this is exactly what this looks like. Clause 87 is an attempt to get the power to do something that the government would not dare to come and ask to have done openly by parliament itself. They want to be clothed with these arbitrary powers these powers to circumvent parliament. What about? About something they do not even tell us is an emergency; at least, the minister does not. The minister-elect says there might be an emergency but the minister-elect has not succeeded the minister yet. Whether he will when the minister succeeds the Minister of Finance I do not know. I am not in the confidence of the Prime Minister.

Mr. Lambert: Not likely to be either.

Mr. Churchill: Give us some more secrets.

Mr. Pearson: That is no great deprivation.

Mr. Pickersgill: But I want to say again that it does seem to me that this clause should not be in the bill and that the government should remember the position that was taken when they were on this side of the house and take it out of their bill when the time comes in committee.

I should like to say a word about the word "immediately". The Prime Minister said that it was very urgent to pass this legislation because there were some applications to come before the new board, and that it would be appointed immediately. The word "immediately" has come to have a different meaning in the mouths of members of the administration from the ordinary dictionary meaning. It took the government nearly six months to appoint an ambassador to the United States. They chose as ambassador to the United States the chairman of the civil service commission and that very important post is still vacant although we have had repeated assurances that it will be filled as soon as possible or almost immediately.

Mr. Churchill: Is there an analogy here that we are missing?

Mr. Speaker: I think the hon. member is now straying off the beaten path.

Mr. Pickersgill: I am not straying very far afield, sir, because the Prime Minister told us that these appointments would be made immediately and he also told us the kind of exalted people who were going to be appointed although he did not tell us precisely who they were. In our opinion there are more members of the board than there need be. It seems to us that three members would be quite sufficient to discharge these functions and that three members with the kind of qualities the Prime Minister described yesterday are going to be pretty hard to find unless, perchance, the Prime Minister is going to turn to that rather distinguished and growing number of former public servants who have left the public service since the present administration came into office. There are among them a number of people who could perform these functions with the greatest competence and I am sure that the Minister of Trade and Commerce would be the first to admit that because he has a close acquaintance with many of them.

Mr. McDonald (Hamilton South): Are you available, Jack?

Mr. Pickersgill: I do not think that politicians should be appointed to these positions, to answer the hon. gentleman's question directly. I hope no politicians are going to be appointed because there is going to be enough political control anyway. We had this statement by the Prime Minister about how independent this board is going to be. It was really touching until the hon. member for Vancouver East (Mr. Winch), in an interjection with which I must say I completely agreed, though I do not always agree with him, said, "Eyewash". The hon. member for Vancouver East gave the reason why he said "Eyewash". He went on to say: "All the powers are subject to the cabinet." That is perfectly true.

Mr. Lambert: You are wrong.

Mr. Pickersgill: This government is so passionately devoted to passing orders in council, this government led by a man who formerly denounced government by order in council, that they have made it necessary for every act of any consequence of this board to be confirmed or otherwise by the governor in council.

Mr. Lambert: That is where you are wrong. You have not even read the bill.

Mr. Pickersgill: The hon. member might read it and he will find that is the case.

Mr. Lambert: You read about tariffs and tolls.

Mr. Pickersgill: The Prime Minister said that in order to make sure that this board will operate for the benefit of all Canadians it will operate beyond any suggestion of any control in any way, except, of course, that anything it does is subject to the veto of the governor in council. It does not seem to me to matter very much—

Mr. Lambert: You have not read the bill.

Mr. Pickersgill: There is an amendment before the house and the hon. gentleman has the right to speak again if he would like to, and refute my words. Let him go ahead and do so.

Mr. Lambert: I will.

Mr. Pickersgill: But perhaps he might let me make my speech in the meantime. As a matter of fact, I was very interested to observe that the Prime Minister did not attempt to reply to the hon. member for Vancouver East except in the Prime Minister's usual way, by innuendo. He said:

> When it comes to eyewash I do not want to compete with the hon. gentleman.

I do not think there is anybody anywhere in this country who can compete with the Prime Minister in that commodity.

I say that we support the principle of the bill because in fact it is just codifying the law under a new board which we as a party feel it is desirable to have for the purpose of advising on the development of this industry and for the purpose of the really necessary regulation of this industry, but not for unnecessary regulations. Moreover, with very few exceptions, in its operative clauses it simply takes the exact language from the Railway Act or the electricity and fluids exportation act, or the Pipe Lines Act. I think particularly of the clause the Prime Minister read yesterday which he said was establishing a new kind of control and safeguard. But the clause he read yesterday was taken, I am assured, verbatim from the existing legislation.

I say it would be absurd for us not to support the principle of this bill since the principle is to continue what was there before under a Liberal administration. But that does not alter the fact that the arbitrary, unnecessary and undesirable powers in clause 87 should be taken out of the bill. It does not alter the fact that the bill itself is in most of those respects, not all, but in most of those respects in which there are innovations, capable of being very considerably improved, and it is our hope that in committee a great many improvements will be made.

Mr. Green: May I ask the hon. member a question, Mr. Speaker?

Mr. Pearson: Point of order, Mr. Speaker.

Mr. Green: Is it the stand of the Liberal party that there should be no export or import control over oil in the country?

Mr. Pearson: No.

Mr. Pickersgill: No, sir; I thought I answered that question.

Mr. Pearson: You did.

Mr. Pickersgill: I shall repeat my answer. I say that any controls over the export or import of oil should be imposed by parliament. They should be spelled out by parliament, and arbitrary and unlimited powers should not be given to the governor in council to do it by order in council.

Mr. Green: Is it not a fact that there has been control over the export of oil under the Exportation of Power and Fluids and Importation of Gas Act for many years, I think since 1907. There is in the law of Canada today actual control over the export of oil and there was that control over the export of oil during the whole of the time my hon. friend's party was in power.

Mr. Pickersgill: I think it is perhaps true to say that in that statute there would have been the power to exercise that control.

Mr. McIlraith: Only through pipe lines.

Mr. Pickersgill: It appears to me that the power was never exercised except in the case of the export through pipe lines. I understand also that there was no limitation upon the quantity to be exported, or anything of that sort. This was treated as an ordinary commercial commodity. The nature of the control of the export had to do with where it could be exported and where the pipe line would go. However, I do not pose as a great expert on this subject. What I am saying is I do not think there should be the unlimited powers to make controls, which have not been specified in advance, by order in council.

Mr. Green: Is the hon. member not aware that export licences are required at the present time and were required during the whole of the time his government was in power, and on an annual basis?

Mr. McIlraith: He is.

Mr. Pickersgill: We know an export licence is required for the export of electricity. I am perfectly well aware of that.

Mr. Pearson: And a lot of other things.

Mr. Speaker: I suggest this matter might be followed up in committee when we reach that stage. Is the house ready for the question?

Mr. Frank Howard (Skeena): Mr. Speaker, there are one or two comments that I should like to make on this particular motion. May I say first that I enjoyed very much listening to the hon. member for Bonavista-Twillingate (Mr. Pickersgill), both his historical recount of the attitude of the Prime Minister (Mr. Diefenbaker) and his objections to the dictatorial powers which are given to the government to administer this matter in the bill before us. I am afraid that he spoiled what would otherwise be a well-prepared and well-documented speech by starting off saying that we had a good administration in this country in 1956. If he had left that out he would have been on much safer ground. He may have convinced himself that we had a good administration in the government of 1956, but he was not able to convince the Canadian people to that effect.

Mr. Pickersgill: At least we could float a bond issue in those days.

Mr. Howard: You could float a bond issue if you had the opportunity to do so.

Mr. Pickersgill: But we paid off debt instead.

Mr. Howard: By increasing the debt, which the Liberals did also. You are not above criticism in that regard.

I listened to the hon. member for Bonavista-Twillingate complain about the powers that were demanded in this particular bill. He then went on at great length and prefaced his objection by saying that he was going to vote for it anyway. I do not know, but he has become just as much a political paranoid as Premier Smallwood. He is trying to get on both sides of the issue at the same time.

I have but one comment to make about the speech—I should not put it that way—the oratorical act that we saw put on yesterday by the Prime Minister. If ever there was a single unqualified admission that the Tory party were a great bunch of liars when they sat over on this side of the house in opposition it was made by the Prime Minister in his admission yesterday, because their position has changed entirely. They espoused certain ideas when they sat over here, Mr. Speaker. When they got over there—

Mr. D. J. Walker (Rosedale): I rise on a question of privilege, Mr. Speaker. I ask—and I think all hon. members would support me in asking—my hon. friend to withdraw his reference to the Conservative party when in opposition when he described them as liars. Of course, when one considers the source of this remark one can have some appreciation of it. It comes from one who has little appreciation of parliamentary duties and an understanding of them.

The Acting Speaker (Mr. Rea): I think the hon. member has made his point.

Mr. Howard: I would like to comment on it. What I said was this: in effect, the Prime Minister admitted that when the Tories sat over here they were liars because they are not carrying out what they promised they would. I am not saying they are liars now; they will have to decide that for themselves.

Mr. Churchill: Withdraw.

The Acting Speaker (Mr. Rea): I am sure the hon. member for Skeena realizes that perhaps he should rephrase his remark.

Mr. Howard: All right, I will attempt to rephrase it and say that they lied when they sat over here and they lied to the public on this question in two elections.

Some hon. Members: Withdraw.

The Acting Speaker (Mr. Rea): I think the hon. member can find a better word than that.

Mr. Churchill: Withdraw.

An hon. Member: A false statement.

Mr. Howard: I am waiting for those barking dogs over there to slow down a little so that I can say that I withdraw the remark classifying the Tories as liars when they sat on this side of the house. I will not go into the question of what they are at the present time.

Mr. Walker: A person in a glass house should not throw stones.

Mr. Howard: My thin-skinned friend over there would object to what I said no matter what it was.

Mr. Walker: We consider the source.

Mr. Howard: We consider the source of any remarks which come from the other side of the house. We have had the assistance of the open mouth of my friend on quite a number of occasions.

Let us deal with the question of the referral of this particular bill to a committee for study, and so on. The objection has been made that for a number of reasons we cannot do that. It has been said that the question

has been exhaustively studied by commissions. It has been said also that complaints have been made in the house that there are too many committees functioning at the present time and that there is not sufficient time for hon. members to carry on all of their parliamentary duties, and so on.

If we could have a bill on the Unemployment Insurance Act referred to a committee for study, regardless of the fact the chairman of that committee is trying to stifle the proper functioning of it, then surely this question of a national energy board is equally, if not more important and should be sent to a committee for consideration and study. Veterans' legislation falls into the same category. The question of the humane slaughter of animals is also being considered by a committee. Certainly a bill of this nature which entails the financial slaughter of many citizens in Canada should be given some serious consideration by a committee.

I submit that the reason this bill is not being sent to a committee for study to allow interested people to present their ideas, their suggestions for changes if they are necessary, their complaints or their commendation of the bill or sections of it, is that the minister has not got the guts to subject his own piece of legislation to the light of day. He would rather that the docile majority on that side of the house—

Mr. Churchill: On a point of order, Mr. Speaker; I suggest that the use of that phrase "has not got the guts", should be withdrawn by this member who is apparently unfamiliar with parliamentary practice.

The Acting Speaker (Mr. Rea): I do not believe that remark is parliamentary, and I think it might be better if it were withdrawn.

Mr. Pickersgill: Has an hon. member the right to rise in the house in any place except his own?

Mr. Howard: If I may say so, that expression has been used in this house on a number of occasions and no objection has been taken. These people want two sets of rules, one to apply to them to allow them to do what they want, as the Prime Minister did the other day, and another set of rules to apply to the opposition to prevent them from saying anything. If my delicately-skinned friend, the Minister of Trade and Commerce (Mr. Churchill), feels that term "has not got the guts to subject this bill to committee study" is sufficiently objectionable to him for me to change it, then I will say he has not got the intestinal fortitude if that is a more euphemistic phrase.

Mr. Churchill: I am quite content to allow this man who shows none of these qualities himself to use this expression.

The Acting Speaker (Mr. Rea): The hon. member for Skeena (Mr. Howard) has withdrawn that remark.

Mr. Walker: Can the hon. member get out of the gutter for a few minutes and remember he is in the Canadian House of Commons?

The Acting Speaker (Mr. Rea): Order; the hon. member for Skeena has the floor. If anyone wishes to ask a question, he may.

Mr. Howard: I had said the Minister of Trade and Commerce would rather ram this bill down the throats of the members of the House of Commons with the help of his docile majority on that side of the house, than subject it to consideration by a committee of this house as it should be. A few years ago we had in this House of Commons a minister of trade and commerce who was well known throughout the country as an arrogant, despicable dictator, and my friend the present Minister of Trade and Commerce is a perfect apprentice to the former minister, C. D. Howe.

Throughout the debate on this bill to establish a national energy board the Minister of Trade and Commerce has interjected one phrase particularly and that has been, "Nonsense, nonsense", whenever objections were raised. I shall, therefore, use this phrase in return and say it is nonsensical to say that this is a national energy board. This is national Tory endorsation of thievery and corruption in the gas and oil pipe line industry; precisely that, and nothing else. The whole history of gas pipe lines in Canada, not only interprovincial ones but those within provinces as well, fairly reeks with the smell of political and stock market manipulations and corruption. This is a straight endorsation of that condition which has existed throughout the history of gas pipe lines.

The trans-Canada pipe line has been dealt with particularly on many, many occasions. The Prime Minister—"John" as he is affectionately known throughout the country—stated during the elections campaigns of 1957 and 1958 that he was going to fix this. He was going to change it so the Trans-Canada Pipe Lines Limited would operate to the benefit of the general public. The phrases have been used, "these Texas buccaneers" and "reaping piratical profits", all that sort of thing. The Prime Minister even went so far as to embrace the idea of public ownership to ensure that Trans-Canada Pipe Lines would be operated for the benefit of the Canadian people and not for the benefit of foreigners to reap the profits.

Those are the phrases, words and attitudes of the Prime Minister when he was in opposition. This bill is an indication, if nothing else is, coupled with all the other betrayals of trusts and the promises that were made by this government, that John himself cannot be trusted any longer. He cannot be trusted any longer even with the intention of carrying out what he has promised he would do. This situation is not confined to Trans-Canada Pipe Lines, but applies to many other things. If the Minister of Trade and Commerce and the Prime Minister, who yesterday gave his blessing to this particular bill, had any sense of decency and honesty I am sure they would not proceed with it or would put into it the ideas they espoused before they got into the seats of the mighty and became enamoured with this dictatorial power they now have.

There are a number of energy matters that confront Canada with which we will have to deal and with which we should be dealing now. This bill should contain a provision whereby we would be able to deal, when the need arises in the future, through what is classified as a national energy board, with the question of nuclear energy. An estimate contained in one of the studies made concerning Canada's economic prospects indicates that by 1980 some 10 per cent of the energy being fed into the distribution lines in Canada will originate from nuclear power stations. It is estimated also that by 1965 or 1970, somewhere in that period, the cost of nuclear energy will have fallen sufficiently to enable it to compete with other methods of generating electrical energy, such as hydro. This national energy board should be given authorization to deal with the question of nuclear energy for peaceful purposes such as the generation of electricity, and so on. However, there seems to be a complete abandonment of any thought of the energy board dealing with this question, and we are left floundering around as we have been in the past on this question of energy.

The matter of oil and the oil industry is not dealt with effectively in this particular bill. The question of international control of our oil industry in Canada—and the Tories were loud in their complaints about international control of other industries a few years ago—is not left to the Texas buccaneers and the Wall street pirates. It is all right for them to do whatever they want with Canada's natural resources. Again according to one of the studies made concerning Canada's economic prospects, it was indicated that at the end of 1956, 75 per cent of the oil reserves in western Canada were controlled by international oil companies and 85 per cent of the refining capacity was under foreign control at that particular time.

It lists the international oil companies that control this great bulk—75 per cent or 85 per cent—of the oil reserves and the refining capacity in western Canada. It sets them out as companies whose record is extremely unsavoury when it comes to dealing properly or decently with the welfare and interests of Canadian citizens. That is a failure of the bill, namely failure to have any sort of control over or authorization to deal with this particular question of the international control of our oil industry and our oil reserves.

Perhaps coal is another factor or another phase of energy that has been dealt with slightly. All we have heard so far is the Prime Minister, in support of his bits and pieces policy on coal, make reference to the subsidies and subventions in the maritimes but without any indication or any thought of future needs for coal consumption which by about 1965—according again to estimates—will start to pick up again to the point say in 1980 where we shall be consuming twice as much coal as we are consuming at the present time. But no; the policy of the government in this regard also, as with others, is to wait until the crisis develops, hope that it will work its way out of it but if not, then to do something when conditions are so serious and have deteriorated to such a degree that it cannot possibly postpone any longer taking concrete action.

Coal mines have been closing left and right all across the nation. There are some excellent coal fields both in the maritimes and in the western provinces and all across the country. If the 1980 forecast is correct, that we shall be consuming approximately twice as much coal then as we are now, what is going to happen in the meantime with these mines that are closing and will be closing in the future because of the decline in consumption that is still taking place? The machinery will deteriorate. The timbered sections of the mine will deteriorate. Many of them will be flooded. There will be greater hazards from cave-ins and everything else when and if the mines re-open at that time following 1965 when our consumption will start to increase. There is no foresight used in connection with that particular problem.

The so-called national energy board—which to me is a misnomer; it should be called the the national gas board or maybe the national gas and oil board—has nothing to do with the question of coal as energy nor with hydroelectric power. In British Columbia we have quite a potential of hydroelectric

developments. We have a number of potential hydroelectric development sites out there. The estimate of the provincial government is that we have somewhere in the neighbourhood of 25 million horsepower potential in the province. The Columbia river is one around which there has been a considerable amount of discussion and negotiation with the United States through the international joint commission with regard to the downstream benefit question.

The then government—not this one but the one that preceded it—indicated that it would agree to participate financially with the province of British Columbia in developing the Columbia river under the British Columbia power commission, that is to say develop it for hydroelectric purposes, for storage sites, storage dams and so on. I do not know what the attitude of this government is. I do not know whether they have carried on that same undertaking that was made by the previous Liberal government to British Columbia or whether they have reneged on that matter also as they have done on so many other things. But here is a fine example of something which this national energy board could deal with namely the question of the Columbia river. International problems are involved. The river flows through Canada and through the United States. Also federal and provincial relationships are involved. The previous federal government—and I hope this one will be just as generous—indicated that it would agree to participate financially in the development of that river. What could be more simple than to allow the national energy board to deal with questions of that nature and to give to British Columbia the amount of consideration that is necessary.

The Minister of Public Works was here a while ago. He is also the acting prime minister. He is a long time resident of and member of parliament for one of the British Columbia constituencies. I am sure that his desire to participate with British Columbia in the development of resources out there has not diminished one bit but I hope that his friends in the cabinet have not been able to over-rule him and swing their weight against this joint participation.

These are just a few of the things which the so-called national energy bill fails to deal with. Apart from the things which were covered so eloquently and at some length by my friend the hon. member for Bonavista-Twillingate with regard to the dictatorial powers that the government is demanding in this particular bill—apart from these objectionable features—we should not want to give the right to this government to carry on in the same way—which they will do—as did the Liberal party when they were in office, namely run everything behind closed doors, operate the country by order in council, dictate what is going to happen, never mind consulting the country or parliament. We should not be asked to give the government this power. The Minister of Trade and Commerce should have more sense, or if he had any sense of decency and honesty, he would not ask parliament to give him and his colleagues in the cabinet the control that he is asking for.

Mr. Churchill: Mr. Speaker, I regret having to call attention to unparliamentary expressions but I think we must have some sense of order in this house. As to this suggestion about honesty, if you will refer to Beauchesne's Parliamentary Rules and Forms, fourth edition, pages 130 and 131, you will find listed there various phrases which have been considered in the past not to be suitable for use in the House of Commons. Phrases that allege dishonesty are not permissible. I ask the hon. member to withdraw.

Mr. Pearson: On the point of order, Mr. Speaker, may I say this. You may recall that the day before yesterday, I think it was, the Minister of Labour (Mr. Starr) used the expression "if the hon. member has any sense of decency". That expression was ruled by the Speaker as being quite parliamentary.

Mr. Howard: That is the point I was going to make, may I say, speaking on the point of order. I thought surely I would be allowed the same right as was the Minister of Labour who made exactly the same charge in precisely the same words; namely if the hon. member had any sense of decency and honesty he would not say a certain thing.

Some hon. Members: Withdraw.

The Acting Speaker (Mr. Rea): If I remember correctly, I think that phrase was allowed by Mr. Speaker when used by the Minister of Labour.

Mr. Howard: I was using it in the same sense.

Mr. Broome: Speaking on the point of order, Mr. Speaker, may I say that I do not think the phrase was as stated, although the matter can be corrected by reference to *Hansard*. I thought the phrase was "a sense of decency". I do not think the word "honesty" was mentioned.

Mr. Winch: Is there a difference between decency and honesty?

Mr. Broome: The citation which was mentioned had to do with honesty. It was in that regard that the minister was taking

exception to the remarks of the hon. member. It is the implication of dishonesty that is objected to.

Mr. Howard: If I may, I should like to say this, Mr. Speaker. I know you have ruled on the question but my friend the hon. member for Vancouver South (Mr. Broome) raised this question again. I should like to point out to him that as reported at page 3971 of *Hansard* of May 25 the Minister of Labour (Mr. Starr) said:

> Therefore he cannot possibly charge with any sense of honesty and decency that the government has anything at all to hide—

And later on, when the question of order was raised, the Minister of Labour said this:

> I think I said "If he had any sense of decency—"

But *Hansard* records his having said "with any sense of honesty and decency".

Mr. Broome: The point is that the minister, in his explanation, said that he thought he had said "a sense of decency" and in effect was withdrawing any reflection on the honesty of the hon. member to whom he was referring. In this regard the minister is asking that the hon. member withdraw any reflection on the minister. I think the point is well taken.

Mr. Howard: I think the matter has been fairly well exhausted. I might point out to my friend the hon. member for Vancouver South that Mr. Speaker rules on things that are said and not on what the minister thought he said. There is a great distinction between the two things. The Minister of Trade and Commerce (Mr. Churchill) seems to have a delicate skin and an ear which is upset by words which drive home to him the actual condition which exists, both with respect to himself and his colleagues in the government, but in any event I had completed my remarks.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, the more we look at this bill now before us the more we realize what a farce it is indeed. This is a far cry from what the people of Canada were led to believe they might expect at the hands of a newly elected Conservative government. Over the years in this house Mr. Clarie Gillis asked for the establishment of a national energy board which would take into consideration and have authority over all phases of energy available in our land. He had, of course, particular reference to and concern for the welfare of coal enterprises.

We are now faced with the setting up of a national energy board that has no authority, and which is not even asked to consider the future welfare of one of our primary sources of energy, namely coal. We are now asked to consider the establishment of a national energy board that will have no authority to deal with the future potentialities of nuclear energy. We are now handed a bill that will give to the government, not to a board but to the government, the right to determine all matters in relation to national development of energy. We regret very much the limitations that are imposed upon the board in that the board will not have any authority or responsibility to consider the possibilities of future nuclear energy development, and no responsibility to consider what will happen to one of our major sources of energy in years gone by.

Last week the hon. member for Vancouver East (Mr. Winch) very adequately expressed the essence of our position on the bill now before us when he said that the bill seems in the main designed to establish a board that will be nothing more and nothing less than a front; I believe he used the words, "a stooge for the government in office". I remember so very well, Mr. Speaker, when a number of years ago the Conservatives in this house were so very eloquent in their opposition to the extension of the emergency powers bill under the Defence Production Act. I would like to recall some of the words of the hon. member for Eglinton (Mr. Fleming), now Minister of Finance, when he referred to the Emergency Powers Act. He said, as reported on page 1909 of *Hansard* for March 10, 1955:

> These are not the times for permitting the continuance, Mr. Speaker, of powers so sweeping that those whose plants or whose materials are related in any way to defence must stand in fear of an omnipotent government.

Our complaint at this time is very much in line with the complaint registered at that time by the hon. member for Eglinton. He and other representatives of the Conservative party were arguing that the emergency powers as handed to the government of the day under the Emergency Powers Act ought to expire because, they argued, under this act it was within the power of the government to reward its friends and to punish its enemies. I heard a number of speakers argue that if the Emergency Powers Act were to continue the government of the day would be able to completely ruin any enterprise in Canada that did not tally along with the political opinions of the government of the day.

That is our major objection to the bill that is now before us. Under the authority of this bill we will have a situation, or I should say might have a situation, arising whereby any oil company, natural gas company or pipe line company will be at the complete mercy of the political whims of the government in office. I know that for a goodly

number of years the Conservative party has been most envious of the resources, and especially of the revenues, of the Liberal party, and there has been developing a feeling that there were too many crown corporations and other agencies of the government, or as they themselves call them, "pampered pets" of the government, who aided and abetted the cause of the Liberal party and who also, in the opinion of many, were responsible for the failure of the Conservatives to make any headway on the political scene. We have witnessed over the last year or more a desire on the part of this government to roll into line all the crown corporations. Heads have rolled.

Mr. Speaker: The hon. member appears to have got away from the subject under debate.

Mr. Regier: No, Mr. Speaker, I am attempting to point out some of the dangers in connection with the bill now before us in that we have observed in recent months a desire to undermine the independence of crown corporations and make them subservient to the government in office. And here the government is asking parliament to establish another board. However, they are not running any risks; they are ensuring by the terms of this bill that the proposed energy board would have no authority to do anything until it had received the advice and the consent of the government of the day to do what it felt ought to be done.

I should like to recall once again the words of the hon. member for Vancouver East last week to the effect that after reviewing this measure thoroughly it was obvious that no effort had been made to establish, as the government claims is being established, a national energy board. I say this first of all because this board is intended to deal only with certain phases of energy. One of our oldest sources of energy, namely coal, is being omitted, and one of our newest energy sources—nuclear energy—is also excluded. The board will be limited in the main to energy sources in the field of oil and gas. Moreover, the board will have no real authority to do anything except by the will and after the consent of the governor in council. We feel this is a regrettable move.

We are all in favour of the establishment of a national energy board which would be able to survey the energy needs of the nation as they exist today and as they are likely to exist in the years ahead; a board which would be able to take into consideration all the energy resources which are now available in all areas of Canada and which would in all likelihood become available in the years ahead. We had hoped, too, that the energy board when established would have authority to formulate regulations under which enterprises might operate within the nation. However, we now realize that the board is completely helpless; each and every regulation must first of all receive the approval of the government of the day and, even after regulations have been established, each and every major decision will have to be approved by the government before it is announced.

We feel that the Tory party is now establishing for itself an instrument such as it used to oppose when in opposition. In former times they ascribed all kinds of motions to existing agencies of government. Now they have with some success hacked away at the authority and independence of existing agencies, and in this bill presently before us they are showing their true colours and claiming that any agency established in the interests of the people of Canada must necessarily be subservient, not to the House of Commons but to the whims, the wishes and even, we believe, to the political interests of the government of the day.

Hon. L. B. Pearson (Leader of the Opposition): I should like to state the position of the official opposition with regard to the amendment which is now before the house, but before doing that I wish to comment very briefly on two or three points which have arisen during the discussion last evening and this afternoon in the hope that the minister when he speaks later in this debate may deal with them.

I should like to ask this question in particular: does this bill offer any method for controlling excessive profits from, for instance, the financing of pipe lines, which is not now available to the government of this country? In other words, does this bill represent any improvement and, if so, in what particular, over the situation which has existed now for some time and which certainly occupied the attention of hon. gentlemen opposite when they were in opposition and concerning which they had some very hard words to say. The Prime Minister (Mr. Diefenbaker) dealt with this matter, or attempted to deal with it, yesterday in a way which certainly did not provide any satisfactory answer to this very important question when he said, as reported on page 4025:

> As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interests.

There is nothing in this bill as I see it to indicate how this desirable principle is to be carried out in a way which will constitute any improvement whatsoever over the provisions contained in the previous legislation.

Indeed, the previous legislation was in some particulars more satisfactory than the present bill.

Perhaps last night the hon. member for Calgary South (Mr. Smith) gave some indication of the view of the government in this matter, for as reported on page 4040 of *Hansard* he had this to say:

> I suggest, Mr. Speaker, that Canada has grown in its maturity to date on the basis that we have been able to maintain an attractive investment climate.

I could not agree more with any statement; I merely point out that it is contrary to many statements we used to hear from the opposition when we were sitting on that side of the house. And the hon. member continued:

> When we start stipulating the rate of return which is going to be extreme, in order to discourage the return which is required in an investment undertaking of the highest risk nature, we are indeed biting off our nose to spite our face and we are indeed going to over-control industry and thus affect the very shareholders who are themselves Canadian citizens.

And then the hon. member stated:

> May I suggest to him—

That is, to another member

> —that in his concern to restrict the profits of a handful of people we should not expect to place excessive regulation on industry in the development of the resource itself.

I am not quarrelling with that sentiment. It seems to make sense. But because the government has so often made a point of this in the past, I ask the minister whether there is any provision in this bill which would prevent the kind of thing happening with regard to financing about which they had so many harsh words to say on some occasions. That is one point.

Now there is another point. The Prime Minister, in his long speech yesterday, made some observations obviously aimed at Alberta. As reported on page 4025, he said that the matter of export permits would receive immediate consideration. Then again, he said:

> In so far as those applications are concerned, they will be processed immediately by the board when it is set up. It will be set up immediately. There will be no need to wait for the mobilization of the board.

Whatever that may mean. The impression given by these words is that once the bill becomes law these export permits will be dealt with at once. But, Mr. Speaker, that may be creating a false impression, desirable though it is to deal with these matters with the maximum of speed, because the board will have to be established, the board will have to be set up, the board will have to be mobilized, in the words of the Prime Minister, and consideration will have to be given by new members of the board, some of them perhaps not familiar with these matters in the past. With the best will in the world it is bound to take some time before all these applications can be cleared up and action finally taken with regard to them. The Prime Minister's observation would give the impression that it would be pretty routine, that it will be done immediately and everything will be settled and that that is one reason why we must get this bill into operation at once. I merely want to remove the impression that this is quite as simple a procedure as the Prime Minister indicated.

Mr. Smith (Calgary South): May I ask the Leader of the Opposition (Mr. Pearson) a question? Does he not feel that the suggestion of the Prime Minister can in fact take place? Most of the detailed information has already been processed; first, by the province of Alberta; second, in the Borden commission report having regard to its limitations; and, third, by the board of transport commissioners in that it has already given some consideration to the matter with respect to one of the three applications. In view of this, does he not feel that this body of information will facilitate early consideration as suggested by the Prime Minister?

Mr. Pearson: Yes, indeed it will. There is no doubt about that. The work that has been done previously in the manner indicated by my hon. friend should facilitate the final decision of these matters. I am not suggesting anything to the contrary. I am suggesting that the impression that might have been created was that all the board would have to do would be to meet after it was established and process these export permit applications and that that could be done very quickly. I would hope it would be done as quickly as possible. But the new board is bound to look into the work done previously by other agencies concerning this matter if that board is to be as responsible as the Prime Minister said it must be in considering these matters. The Prime Minister also said as found on page 4025:

> I agree that it is essential that these matters be thoroughly investigated. I am not complaining at all.

He was talking about what he said might be a delay on the part of the government of Alberta. All I am trying to point out is that, with the best will in the world, once the board is set up it will require some time to take final action with respect to these matters.

There is one other point that has a bearing on this question of what is a just and

reasonable price. The Prime Minister said, and I quoted this a few moments ago:

> As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interests.

Just and reasonable as determined by a board and subject to confirmation by a government. Then he went on to make this very important statement which I think should be put on the record again and perhaps confirmed by the minister if it is to be confirmed. It is found on page 4025 at the bottom of the second column and is as follows:

> With the implementation of this legislation, no longer will there be any suspicion that the Canadian consumer is being forced to subsidize the foreign markets or that Canadian industries will be asked to pay higher prices for their industries—

I think that word must have been "energy".

> —than those paid by foreign industries using Canadian energy.

In other words, the Prime Minister in those words, and I think I am being very fair to him in this interpretation, has given the assurance—on what basis I do not know—that the price paid by United States consumers of Canadian gas will not be less than that paid by Canadian consumers of Canadian gas, without any qualification or condition attached to that assurance. Perhaps the minister will deal with what I thought was a pretty rash statement on the part of the Prime Minister having regard to the conditions surrounding the export of gas the conditions of sale and the varying circumstances that enter into the pricing of gas for export.

Finally, may I mention the situation regarding section 87 having to do with oil imports and exports. It has already been dealt with in great detail and I do not propose to do so in detail at this time. Last evening the hon. member for Calgary South complained that in my earlier statement I had given no indication that I appreciated the fact that emergencies might develop with regard to oil which might require governmental action. I know that he was no doubt thinking of an emergency which would require action with regard to imports so that western oil could be moved east under certain circumstances.

My own position and the position of our party on this matter is quite clear. I have said previously and I am glad to repeat it now that the economic market for western Canadian oil is the northwestern part of the United States. In a well-ordered economic society that is where it would be going at the present time and that is where it is going although not in the quantities we hoped notwithstanding the removal of the restrictions the other day. That is where it would be going in a well-ordered economic society. However—the Prime Minister quoted words to this effect that I have already used—if ever the policy of the United States makes it impossible for us to market our oil in the United States no Canadian government is going to let that oil remain in the ground and any Canadian government is bound to take the kind of steps which may be required to market that oil in Canada, indeed, in the east.

I am not complaining about that. I hope that will not be necessary because it is not the most desirable way of marketing that oil at the present time. If it is necessary, it will have to be done. I also add that that kind of government policy is of a very far-reaching character indeed and goes beyond the commercial in its implications, just as the building of a transcontinental railway involves something far more than a commercial venture. That kind of situation would require government action at the time perhaps with regard to the import of oil but it would be of such a far-reaching character that our complaint is that this action should be taken with the knowledge and consent of parliament.

There is no likelihood of that action being required at the present time, at least if we believe the Minister of Trade and Commerce (Mr. Churchill). When the Minister of Trade and Commerce says that the case with respect to licensing imports of oil, contrasted with exports, is different and more complicated and he does not propose to argue that case fully because it would be premature to do so until the second report of the Borden commission in respect of this matter has been received and considered; if the Minister of Trade and Commerce says it is not necessary even to explain to the house why this might have to be done in the future, surely we have the duty and the right to object to a clause in the bill which gives the government that particular power which the minister himself says does not need to be argued at this time because there is no immediate emergency which might require that power. That is the burden of our complaint with regard to this particular clause and we will come back to it when we are in committee.

So far as the amendment is concerned, the official opposition will not, of course, be able to support it because it would surely be entirely inconsistent for us to support an amendment on second reading which is opposed to giving second reading to the bill itself. I know it is not possible to move an amendment on second reading to send a bill to a committee although it is possible to move an amendment that the subject matter of a

bill be sent to a committee, which is the nature of the amendment before us. The effect, however, of supporting this particular amendment would be to kill the bill and the principles involved in the bill.

Mr. Argue: May I ask the Leader of the Opposition a question. Would he agree that it would be possible for the government to re-introduce a bill covering this same subject at a later time during this same session?

Mr. Pearson: Yes, of course it would, but what we are trying to do is to get this legislation through, to improve this particular bill, to get the government itself, after second reading, to send it to a standing committee where the interests concerned could be heard, have the bill altered in accordance with the evidence, brought back to the house and passed during this session.

Mr. Argue: The Leader of the Opposition does not really think they will do that.

Mr. Smith (Calgary South): May I ask the Leader of the Opposition a question? Is he aware of any demands by any group of people, either from industry or elsewhere, that this bill should be sent to a committee so that, as he says, they will have the opportunity to give evidence?

Mr. Pearson: I have had in my own office a request to do what we could to ensure that this bill should be subject to an examination by a standing committee of this house, before which witnesses could be summoned. Therefore, we have asked the government—and I repeat the request now—that perhaps that course could be followed. That would not be a course which would unduly delay the passing of this bill, but might make it a better bill than it is now.

Mr. Smith (Calgary South): Will he say who it was that suggested it should be sent to a committee? It was not a representative of any body, I assume?

Mr. Pearson: If the hon. gentleman knows more about my correspondence than I do myself perhaps he will come up to the office and I will show it to him.

Mr. Smith (Calgary South): Did the Leader of the Opposition reply?

Mr. Pearson: The hon. gentleman does not speak for all the industrial activities in this country and all the interests that are concerned with this bill. I have given my own view on that matter and perhaps we can let it go at that.

Mr. Smith (Calgary South): Fine.

Mr. Pearson: The nature of the amendment is important. It seems to me if it is carried the bill will be killed. That is shown in the purport of the amendment. It is explained in citation 386 of Beauchesne's Parliamentary Rules and Forms, fourth edition. Paragraph (2) which reads:

> An amendment, urging the setting up of a select committee to consider the subject matter of a bill, might be moved and carried, if the house were averse to giving the bill itself a second reading and so conceding its principle.

There are the words, and, of course, if we voted in favour of this amendment we would be voting against the principle of the bill. We have already said that we are in favour of the principle of the bill, though we are opposed to several provisions of it. Therefore, naturally, we will not be able to support the amendment.

The house divided on the amendment (Mr. Peters) which was negatived on the following division:

YEAS

Messrs:

Argue	Martin (Timmins)
Fisher	Peters
Herridge	Regier
Howard	Winch—8.

NAYS

Messrs:

Aiken	Denis
Aitken, Miss	Deschambault
Allard	Dinsdale
Allmark	Dorion
Anderson	Doucett
Asselin	Drouin
Balcer	Drysdale
Barrington	Dubois
Baskin	English
Batten	Eudes
Beech	Fairclough, Mrs.
Bell (Carleton)	Fairfield
Belzile	Fane
Bourbonnais	Fleming (Okanagan-Revelstoke)
Bourget	Flynn
Bourque	Forbes
Broome	Forgie
Browne (St. John's West)	Fortin
Browne (Vancouver-Kingsway)	Fraser
Bruchesi	Frechette
Brunsden	Fulton
Campbell (Lambton-Kent)	Garland
Cardiff	Granger
Caron	Green
Carter	Grenier
Casselman, Mrs.	Grills
Cathers	Habel
Chambers	Halpenny
Charlton	Hamilton (Notre Dame de Grace)
Chevrier	Hamilton (York West)
Chown	Hellyer
Churchill	Henderson (Cariboo)
Coates	Hicks
Comtois	Horner (Acadia)
Courtemanche	Horner (The Battlefords)
Creaghan	Howe
Crestohl	Johnson
Crouse	Jones
Danforth	Jung

Keays	Nugent
Kindt	O'Hurley
Knowles	O'Leary
Kucherepa	Pallett
Lafreniere	Payne
Lahaye	Pearkes
Lambert	Pearson
Latour	Phillips
Leduc	Pickersgill
Lennard	Pigeon
Lessard	Pratt
Letourneau	Racine
Loiselle	Ratelle
Macdonald (Kings)	Rea
Macdonnell	Ricard
MacEwan	Richard (Kamouraska)
MacInnis	Richard (Ottawa East)
MacLean (Queens)	Richard (St. Maurice-Lafleche)
MacLellan	Roberge
Macquarrie	Robichaud
MacRae	Robinson
McCleave	Rompre
McDonald (Hamilton South)	Rynard
McFarlane	Simpson
McGee	Skoreyko
McGrath	Small
McIlraith	Smallwood
McLennan	Smith (Calgary South)
McMillan	Smith (Lincoln)
McPhillips	Smith (Simcoe North)
McQuillan	Smith (Winnipeg North)
McWilliam	Speakman
Mandziuk	Spencer
Martineau	Stanton
Martini	Stearns
Matthews	Stefanson
Meunier	Tassé
Milligan	Thomas
Monteith (Perth)	Thompson
Monteith (Verdun)	Thrasher
Montgomery	Tremblay
Morissette	Villeneuve
Morris	Walker
Morton	Webster
Muir (Lisgar)	Weichel
Nesbitt	White
Nielsen	Winkler
Noble	Woolliams
Nowlan	Wratten—176.

Mr. Speaker: I declare the amendment lost. Is the house ready for the question on the main motion?

Mr. Frank Howard (Skeena): On this main motion for second reading, Mr. Speaker—and may I say that I think I am one of those who have not spoken on the formal motion now before us—I think it would be well to attempt to summarize the impressions we have been able to get from what has been said so far in the debate, the statement of the minister and the discussion that has taken place. I will just wait for a moment, Mr. Speaker, until the noise subsides. As I was saying this is an attempt to summarize the impressions that we in the C.C.F. have been able to get from the comments of the minister, the discussion at the resolution stage and the discussion that has taken place during the last few days about the possible effect of this particular bill and the impact it may have on society and upon the consumers of gas and oil with whom the bill is primarily concerned.

In that regard we in the C.C.F. have an opinion to express with respect to the formal approach to the endorsation or non-endorsation of this particular bill. In that regard—and I may as well do it now as later on—I have an amendment to make to this motion. Following that I shall explain my reasons. This amendment will give an indication of the official position which we feel it necessary to take with regard to the endorsation of this particular bill. I would therefore move, seconded by the hon. member for Kootenay West (Mr. Herridge):

> That the word "now" be left out and the words "this day six months hence" be added at the end of the question.

Mr. Speaker: Has the hon. member finished his speech?

Mr. Howard: No. I am waiting for Your Honour to read the amendment which I have moved.

Mr. Speaker: If I did so now, it would terminate the hon. member's speech. The hon. member for Kootenay West will then speak as he seconds the amendment.

Mr. Howard: I misunderstood the situation. I thought Your Honour would merely read the amendment and I would continue with my speech.

Mr. Speaker: I think it is customary not to put the motion until the hon. member has finished his speech.

Mr. Howard: As I said earlier, considerable discussion has taken place over quite a number of days on this matter during which we have heard expressions of opinion by the Minister of Trade and Commerce (Mr. Churchill) and by the Prime Minister (Mr. Diefenbaker). I imagine these are the official approaches to the problem and to the bill. We have had speeches by members of the official opposition, by members of the government party and by members of the C.C.F. party. As the motion indicates, we have come to the conclusion that it would not be in the best interests of the Canadian people, the consumers who would be supplied by gas and oil pipe lines, the orderly development of these industries or of the other types of energy which exist in Canada for us to give endorsation to the principle of the bill.

As has been indicated—and these are only general statements at the moment—this bill consolidates the provisions of other acts that are at present on the statute books dealing with the question of oil and gas pipe lines. The statutes concerning that matter are the Pipe Lines Act and the Exportation of Power

and Fluids and Importation of Gas Act. The provisions of those particular acts, with the exception of one section in the Exportation of Power and Fluids and Importation of Gas Act, are consolidated into this particular bill. In the consolidation in this bill now before us of these, as I suppose you could loosely call them, beneficial provisions in so far as being beneficial to the consumers and citizens of Canada are concerned, and as poor as those provisions were, we find that many of the saving features of the Pipe Lines Act and of the Exportation of Power and Fluids and the Importation of Gas Act have been watered down. We find that, generally speaking, the protective features, in so far as protecting the interests of the consumers and the citizens of Canada are concerned, are less favourable in the bill now before us than they were previously.

Coupled with the tremendous insistence on the concentration of power and authority—and I do not mean energy power such as electrical power; I mean power of individuals—to be vested in the cabinet, that is the most objectionable feature that we find in this particular piece of legislation. We are absolutely opposed, as we always have been, to the granting of dictatorial powers of this nature and to this extent to the government of this nation, whether that government is of Conservative stripe or of Liberal stripe, and irrespective of the type of political philosophy it may embrace.

There was a considerable amount of discussion in years past about the dictatorial powers of certain cabinet ministers in the former administration. Certain parties who were the champions of the rights of parliament in those days are now reversing themselves and insisting upon substantiating the same type of autocratic or authoritative control vested in the hands of 22 members of this House of Commons, so far as this particular bill is concerned. We are not vacillating in our approach to the question as did the Liberals when they condemned with all the fire they could generate and muster the provisions of the bill and complained about the insistence upon dictatorial powers being given to the cabinet, and then they turn around and indicate their support for a sort of confined or controlled lead. They must be under a misapprehension that instead of the present Minister of Trade and Commerce (Mr. Churchill) piloting this bill through the house it is their old friend C. D. Howe because one would certainly gather from their gleeful endorsation of its provisions which they say they abhor and do not like that the ghost of C. D. Howe must be overhanging the Liberal party and deciding what their attitude should be.

There is one reference I would like to make, Mr. Speaker, to *Hansard* of yesterday. I would like to read some excerpts from the comments made by the hon. member for Calgary South (Mr. Smith) who spoke on this question last evening. The reference I would like to make is to the part of his speech which related to the question of investment profits, equitable and fair and reasonable profits, in so far as these lines are concerned. At page 4039 of *Hansard* we find the hon. member for Calgary South starting off his discussion on this particular phase as follows:

> The criticism which I have repeated many times in relation to the weakness in the Borden commission report—I think it is a human weakness—is that it fails above everything else in some of its recommendations to recognize that this is a business which involves great risks; great capital investment is required.

Mr. Speaker: Does the hon. member think it necessary for the purpose of his argument to repeat what was said last night? I think it is reasonably fresh in the minds of hon. members who heard the speech. Unless he wants to pick out some particular phrase on which to base an argument, I suggest he limits his reading to the very essentials.

Mr. Howard: I had reached the end of my reference, Mr. Speaker. I did not want to misquote the member or have it said I was being unfair, but perhaps I may adopt your suggestion and paraphrase what his comments were. They had to do with the fair and reasonable profit question. He said, "If I have any objection at all, it is just this." That is, the provision as to a fair and reasonable profit. If he has any objection at all, that is the objection that he has, that there was any provision whatsoever in the bill to determine fair and reasonable profits.

What does the government want? What does the hon. member for Calgary South desire? If he does not want fair and reasonable profit arrangements, or authority given to the energy board to determine this question of reasonable profits, what does he require? Is it that he wants to see an emergence on the scene of additional—

Mr. Smith (Calgary South): Mr. Speaker, the hon. member asked me a question, and if he reads what I said, I said I want the right of appeal, and that is my reply.

Mr. Howard: I am sorry, Mr. Speaker, but I did not get this gadget to my ear quickly enough to hear what my hon. friend said.

Mr. Smith (Calgary South): The hon. member asked me what I wanted in the bill, and I said the right of appeal.

Mr. Howard: The right of appeal in so far as just, fair and reasonable profits are concerned? That is the provision we are dealing with, and the hon. member does not want a fair and reasonable provision in there. If he indicates that he wants the right of appeal from a decision of the board as to what is fair and reasonable, then that clears up what he feels is just and reasonable.

Mr. Horner (Acadia): Read his entire speech.

Mr. Howard: I cannot hear my friend. If he would get the mush out of his mouth—

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): I said, read the entire speech.

Mr. Howard: Mr. Speaker, my friend is suggesting I violate the very ruling which you have just made, and I am sure that you or anyone in the house would not—

Mr. Horner (Acadia): Mr. Speaker, I did not mean the hon. member should read the speech to us. I thought from the remarks of the hon. member that he knew nothing about what the hon. member for Calgary South (Mr. Smith) was talking about, and I thought he should read the whole speech in private.

Mr. Speaker: Order. The hon. member, who does not appear to be speaking from his own seat, must recognize that the floor is held at the moment by the hon. member for Skeena (Mr. Howard).

Mr. Horner (Acadia): The hon. member asked me to speak louder, Mr. Speaker, so I rose to my two feet and did so.

Mr. Howard: Well, Mr. Speaker, for the last few minutes I have been trying to indicate that I had concluded the remarks I had to make.

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

Some hon. Members: Question.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to speak to this amendment. We have before us an amendment which will allow us to give some consideration to this bill and give an opportunity to the government to introduce the bill in a much more acceptable and honest condition. This bill which we have before us refers in the main to gas and oil, yet when we look to find what a national energy board might be expected to embrace we find this bill could cover a great many other sources of energy besides those of gas and oil. It could cover the regulation of solar energy, electrical energy, atomic energy and thermo energy, all energy supplied from a number of sources in a number of ways. This bill has failed to take into consideration that if we are going to give to Canada a truly national energy board then we are going to have to regulate and make available under the act direction for all the various segments which go to make up the energy resources of this country.

The Liberals have pointed out that they were for many of these things. They also pointed out they were opposed to some of the major clauses of this bill. I think their position has not been justifiable with their own consciences, where you support something which you say is wrong in principle. The member for Calgary South (Mr. Smith) pointed out that when the Borden commission sat on energy and made its report, 23 of the recommendations of the Borden commission were favourably considered by the government and 11 were rejected.

Mr. Horner (Acadia): You want to read his speech, too.

Mr. Peters: I did not hear you.

Mr. Horner (Acadia): I was referring to the speech made by the hon. member for Calgary South (Mr. Smith). He quoted a Liberal member—the member for Gloucester (Mr. Robichaud)—as saying there were 23 recommendations in this bill from the Borden commission.

Mr. Peters: It does not matter whether the Liberals have decided this or the Conservatives, because they both voted the same way with regard to a recent decision made in this house. There is some justification for the position the Liberals have taken on this matter. I think they have some justification because the schmozzle they got the Canadian people into over the matter of gas distribution a year or two ago. They would probably not be justified if they took a position contrary to the one outlined by C. D. Howe at that time. However, I do not think this is the situation as far as the Conservatives are concerned. They agreed that if certain conditions existed—they were going to deal with this matter in one of two ways—

Mr. Speaker: May I remind the hon. member that five or six speakers have already made that point in the course of this debate. I suggest that if he wishes to continue to take the time of the house he should find some new ground.

Mr. Peters: I was just trying to point out that conditions hark back to the pipe line debate of some years ago and that these conditions have set the stage for the energy bill which is before us. But this energy bill is not satisfactory in any shape or form because,

as I think it is generally agreed, the Canadian people are entitled to have a board set up which will handle our natural resources in the best and most advantageous way for the benefit of all. This bill fails to establish such a board. For example, it fails to take the coal industry into consideration, and it fails to include the atomic energy industry about which much more will be heard in the near future. It also failed to take hydro-electric power into consideration, with the exception of the export of such power.

In the climate which existed a year or two ago, when there was difficulty in raising money and when the government would not concern itself about raising funds for national development of energy resources, then, I think, this bill might have been introduced and might have received the support of some hon. members here. But today, with a government which says that it is going to develop the natural resources of northern Canada, particularly; a government which says it is going to take advantage of the natural resources that we have, and use them to the best of its ability, this measure loses a good deal of its point.

The measure needs a great deal of study, fundamentally, and I do not think we can even agree with the terms of the bill. If this bill is going to be called the national energy bill it will have to take into consideration all the forms of energy I have mentioned. This may raise difficulties for the government, and we may have to concede that it might be exceedingly difficult, because they seem to work much better in terms of experience than they do in foresight. I agree they had some success with the vision, but they should put these visionaries to work in developing many of the advantages which the Canadian people could receive from a properly designed board which would take into consideration nuclear energy. This form of energy may be a few days ahead but we are faced across all Canada with the failing of the sources of energy we have used in the past, particularly electricity generated by hydro developments. We have been faced even in the province of Ontario, which is blessed with many hydro facilities, with the possibility that within the foreseeable future, and the near foreseeable future, that hydro power will no longer be available and that there will be no future developments of that nature.

Ontario is going as far north, now, as Otter Rapids near James Bay to put in hydro developments and while there are two or three projects in this area they are limited and the end potential as we know it in that area has now been blocked out and indicated. Yet we are going to be faced continually with greater need for energy and electric power in the province of Ontario, and we have given no consideration in this bill to the one large source of energy of which the Canadian people have an abundance.

We speak sometimes of the surplus that we have of wheat and of the problems we are going to have in disposing of this surplus wheat, but we are going to have a much larger surplus of uranium oxide in a very short while. We are now in a position where we can see no sale or a very limited sale for uranium oxide after 1962, and I suggest that the government might with advantage have given this board the duty to decide how our atomic energy resources should be developed in order to supply Canadian homes and industries with heat, light and power.

However, the words have never been mentioned. And in those parts of Canada where it is impossible to put in transmission lines for power today, an alternative solution is yet possible. We talk about the development of the far north of Canada even in the ice and snow areas. Why has the government not given some consideration in this bill to the use and development of solar energy which would not require the use of extensive transmission lines and which would allow certain developments to take place in the far north which it is very difficult to achieve at the present time? We have given no consideration to these matters and I do not see how the government can be proud of the energy bill if it has not given consideration to all the forms of energy which we have available to us in Canada.

I think there has been some small discussion over the matter of gas and oil, but I think that all we are doing is incorporating a number of bills which we already have in force. I think the machinery is already in force and that it will allow us to export all the oil and gas we wish if the government would just relax some of the restrictions which it has placed on the board they have now. The proposed board will have no restrictions. This board is going to have only advisory functions and I would suggest that maybe the civil service could through its officers probably perform the advisory functions that would be necessary and that the governor in council could, in fact, run this national energy board all by himself, and there would be no need for a board and no need for five men to advise him.

Again, we are faced in Canada with the fact that all these forms of national energy have not been taken into consideration. We have given consideration only to the western

members who are concerned with gas and oil. In my part of the country, too, we are interested in this new form of energy, but it no longer becomes a national form of energy —it is passed through pipe lines and it becomes the product of a number of people who are out to make a fast profit.

When it reaches northern Ontario and other areas it gives the people no advantage that they are not already getting from coal, oil and other normal sources of energy which they have had to use in the past. This natural resource has not been used to the advantage and development of secondary industries and has not been used to the advantage and development of new areas by supplying them with a new form of energy. I suggest that we do not need a national energy bill to provide the Canadian people with the development that the people were told would come about if they would allow a pipe line to be built from the west to the east to supply gas to eastern Canada. Gas has turned out to be a product that is competitive and only competitive and it offers no advantages in the field of secondary industries.

I think many of the considerations involved in the bringing of this natural energy to eastern Canada are going to have to be faced again by the Canadian people. It is rumoured at the present time that very shortly another pipe line will be built through northern Ontario from the west. One of the large contracting companies is going around telling people that they hope to be in our area again this fall and that they will be looking for crews. They are expressing the hope that the people who worked for them last year will be available this fall for the new pipe line.

If this bill were going to serve any useful purpose I suggest that a page would have to be taken out of the history of the trans-Canada pipe line and steps would have to be taken to remedy all those factors that were found not to be advantageous to the people of northern Ontario. This has not been done in the bill. There is absolutely nothing in the bill that is not already found in a number of other statutes.

I mentioned before the matter of expropriation. The government did not even write into the bill a new expropriation provision. They used the old law.

Mr. Speaker: The hon. member did deal with that subject when he moved his first amendment and I would ask him not to repeat.

Mr. Peters: I was just pointing out that this has been a source of grievance and I would have thought that the bill before us would have taken care of it. A national energy board is being set up to control all sources of energy in Canada and I presume it is not intended to amend the legislation next year or in a week or two. I presume that the Canadian people will have to operate for a long time under the bill as it now appears before us. I wish to suggest that some of the faults found in present acts could have and should have been remedied in this bill so as to permit the Canadian people to profit from the mistakes that have been made in the past.

Another factor that enters into the situation is the matter of making money from these new sources of energy. We have all heard about the many mistakes made in the past with regard to the financing of the trans-Canada pipe line. Let us remember that the trans-Canada pipe line was probably one of the best opportunities we have had to bring about equalization of conditions in those areas suffering from inadequacy by making available to them a source of energy at a very low cost. However, we allowed certain types of financing to take place.

The hon. member for Calgary South is an expert on gas and oil. He has been connected with this field for many years. I think he is honestly concerned with gas and oil, and I am not sure that that applies to many other people in that field. I believe he is sincerely interested in the development of gas and oil and therefore would be interested in the financial basis for organizing and operating gas companies and gas distribution lines. I was surprised when he said he did not agree that there should be a clause in the bill making provision for a fair and reasonable rate, a fair and reasonable tariff and a fair and reasonable return in connection with gas and gas distribution. That is what I understood him as saying although he indicates that that is not so. I am quite willing to accept that because I do not believe he thinks that way. I do not think that the member for Calgary South believes that. I think he believes he can exist in that industry and that the industry itself can exist for a long time only if a much more ethical and orthodox method of financing is followed.

But, Mr. Speaker, we are interested in this only as history because I do not think the Canadian people will ever allow it to happen again. When they elected this government to office they gave their answer to the mistakes the Liberals had made in this field and the Canadian people will not permit another government to do the same thing.

We are giving consideration now to the development of a national energy board but we find that there are several other sources of energy to which the government has given

no consideration at all. Are we going to wait for the development of atomic energy for peaceful purposes? Are we going to wait until its use in weapons is outlawed? It will then be necessary to dispose of the uranium oxide and we will have to seek possible methods of developing energy from that source. Incidentally, Canada should be very proud of its position because we have an almost unlimited amount of uranium oxide available.

I am sure that before too long we will be faced with the establishment of plants that will use atomic energy as a cheap and reasonable source of energy, particularly in those areas where there are now no sources of energy. I am thinking particularly of the James and Hudson bay areas which we wish to develop. I presume the Minister of Northern Affairs and National Resources (Mr. Hamilton) has given consideration to this matter. We have a large iron ore deposit in this area and all we need is some source of energy that is readily available without terrific transportation costs. Then we will be able to reduce the iron ore into iron oxide or other forms of iron and be able to distribute these products around the world much more cheaply than shipping them to others parts of Canada and we will not have to ship the iron ore to Germany or Great Britain in order to have it processed. I suggest that both solar and atomic energy will eventually be available in these areas where transportation is difficult.

Mr. Speaker: I hesitate to interrupt the hon. member again but on my count this is the third time he has come back to that point. Although I do not want to restrict him in any genuine contribution to this debate, I remind him that this amendment is very similar to the last one and that there is a good deal of scope for repetition which I do not think is warranted under the rules. In fact, it might be worth while to refer the house to the rule against repetitious speeches. It is rule 34 subsection 2. I would ask hon. members to bear that in mind when they proceed with this discussion because to my observation, and I am not referring particularly to the hon. member, a good many of the speeches have been singularly repetitious in this debate.

Mr. Peters: Mr. Speaker, I do not like to disagree. While it is true I have come back to this subject on other occasions I think that we are discussing national energy—

Mr. Speaker: I must remind the hon. member that we are not discussing national energy in all its forms. We are discussing this bill which proposes to set up a national energy board. I have not ruled it out of order to indicate that some forms of national energy are not being covered by this bill, but that does not mean that the house is free to embark upon a discussion of the uses of solar energy. It can only be done by way of criticism of the limitations of the bill. It does not bring those other issues directly into the debate as a subject of debate.

Mr. Peters: Mr. Speaker, that is the reason why we have proposed this amendment. These things are not in the bill and we say that these are the faults and failings of the bill. These matters are of major national importance as energy resources. The bill is called a national energy bill; therefore, I would strongly urge the government to give the fullest consideration to the fact that there are other forms of power besides gas and oil. The attitude seems to be that gas and oil are the last word in Ontario. We doubt that. We would say that probably hydro has been the last word in energy. I am just suggesting that in my opinion there are other forms of energy which are going to be more important. They are going to require greater control from this bill. I will not pursue that, Mr. Speaker.

In considering this bill I was interested to listen the other day to the Prime Minister of the country. He spoke of the immense resources in Saskatchewan. I was particularly surprised to hear this because he referred to a number of conditions in Saskatchewan. There are certain developments in that province that I would have thought the Prime Minister would have been very proud of. We are very happy to have many people from Saskatchewan in northern Ontario. Some of my best friends came from that province. Some of them have always told me that John Diefenbaker was a different kind of guy; he was not really a Conservative; he was a very good guy and he was the champion of the rights of the small people of the province of Saskatchewan. When I heard him say he was very unhappy about some conditions in the province and particularly with the people who have decided on what kind of provincial government they should have and with the decisions that had been taken I was very surprised. I am going to be very happy to tell my friends that he is not the champion of the little people of Saskatchewan who made the decision a long time ago as to what kind of government they wanted. I am sure they will be surprised to hear this.

The Prime Minister mentioned several conditions there, but he pointed out that conditions are not really so bad in Saskatchewan. They have gone into certain forms of assistance in the development of new industries

in that province. They have been cautious in developing gas and oil. On the other hand, the province of Alberta has not. The Prime Minister pointed out that they have a lot of free enterprise in the province of Alberta. He also mentioned the province of Manitoba. He could have been right about Alberta because they certainly have a free enterprise government in that particular province, but the Prime Minister did not tell us that they had a deficit of $40 million in Alberta. He also did not explain what the development was which was taking place in Manitoba. From my trip out there I would say that they have very little industrial development in that particular province.

The Prime Minister also did not point out that he was very proud to come from Saskatchewan where they have a surplus of $3 million. I think he should give consideration to what is happening in Saskatchewan, because they did not have to make any deal with private enterprise; they did not have to sell out to a lot of financial interests in building the pipe line they have there. I understand their pipe line system is quite extensive. They did not have to sell out; they made arrangements which have been advantageous to the people of Saskatchewan. Something which I think our people should keep in mind is that gas and oil, like a lot of the minerals in the mines in the area from which I come, are not renewable resources; they are not renewable in your day or mine. They tell us that it took millions of years to put gas and oil in the ground, and the Conservative party is not going to remanufacture it no matter how much hot air they shoot in Ontario, in Manitoba, or in other places during elections. They are not going to be able to renew this particular resource and therefore I think they should not be in such a hurry to get it out of the ground. They should have consideration for their children and their children's children and the development of Canada in the future. They should give some consideration to bringing this gas and oil out as we need it and using it to the best of their ability for the Canadian people and for serving the needs of the Canadian people.

I do not think the Prime Minister did his province any great service when he attacked it for the arrangements it has made in financing the development that has taken place in that particular province. The fact that Alberta has a large deficit is no credit to the government of that province.

Mr. Henderson: May I ask the hon. member a question? He was sitting in his seat yesterday when the Prime Minister was speaking. Why did he not tell the Prime Minister all this? Why relate it to us? We have heard it at least five times today.

Mr. Peters: The Prime Minister makes his own speeches. I am happy to answer. I am only a very small fish in a very large puddle.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Henderson: On a question of privilege—

Mr. Speaker: The hon. member for Timiskaming has the floor.

Mr. Pickersgill: The hon. gentleman was raising a question of privilege, sir.

Mr. Speaker: I understood the hon. member asked a question and the hon. member who has the floor answered him.

Mr. Henderson: He said he was in a large puddle. I would say it is a very small puddle.

Mr. Speaker: I see. I think it could probably be settled by calling it six o'clock. Is the house agreed that it is six o'clock?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Chevrier: Do I assume that tomorrow we will go on with this debate?

Mr. Green: Yes, Mr. Speaker. When we conclude this debate tomorrow we will take up public works estimates.

Mr. Chevrier: I can hardly keep a straight face.

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

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official reports of debates pursuant to standing order 39:

CROWN ASSETS DISPOSAL CORPORATION—EQUIPMENT SALES

Question No. 329—**Mr. Howard:**

1. During the fiscal year 1958-59 did the Crown Assets Disposal Corporation dispose of any (a) aircraft spark plugs; (b) automotive tires; (c) automotive tubes; (d) shoes; (e) heelplates; (f) duck coats; (g) boots; (h) rayon slips or (i) trousers, and, if so, what was the quantity, size and description in each case?

2. Of the material and goods so sold and with respect to each size and description what was the (a) initial purchase price and (b) the selling price?

Questions

Answer by: **Hon. Raymond O'Hurley (Minister of Defence Production):**

1. Yes as to (a), (b), (c), (d), (e), (g) and (i). No as to (f) and (h). Quantities, description, reported cost and selling prices of unused articles of these classifications are as per attached lists.

2. See 1.

*Indicates the selling price for each article cannot be determined as it was included with other material and sold for a lot price.

A—AIRCRAFT SPARK PLUGS

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
20	Spark plugs, Champion, R33S, .014 inch electrode gap	$ 40.00	*
38	Spark plugs, Champion, C355, 18mm	66.50	*
70	Spark plugs, Champion, R33S	140.00	*
5013	Spark plugs, J-47, BG-785J	27,154.86	*
24	Spark plugs, KLG 994/9	52.80	*
22	Spark plugs, J-47, AC, F6-A12	92.84	
201	Spark plugs, Lodge 342-1	2,683.35	
73	Spark plugs, Champion, R33S	152.57	
70	Spark plugs, J-33 Bendix JN9	154.00	
43	Spark plugs, Champion, C35S	75.25	*
16	Spark plugs, PT No. KLG V12/13	192.00	*
28	Spark plugs, PN785J	280.00	*
50	Spark plugs, Champion, R33S	100.00	*

B—AUTOMOTIVE TIRES

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
4	Tires, 400 x 18, 4 ply	$ 30.00	*
1	Tire, 750 x 16, 6 ply	41.58	*
4	Tires, 400 x 18, 4 ply	30.00	
3	Tires, 750 x 20, 10 ply	244.96	
7	Tires, 700 x 17, 6 ply	154.00	*
2	Tires, 650 x 20, 8 ply	60.00	
3	Tires, 700 x 17, 8 ply	78.00	
6	Tires, 750 x 20, 8 ply	210.00	
4	Tires, 900 x 18, 10 ply	288.00	
2	Tires, 750 x 15, 8 ply	60.00	
1	Tire, 700 x 24, 10 ply	44.00	
2	Tires, 800 x 32, 4 ply	80.00	
1	Tire, 750 x 16, 4 ply	18.00	
5	Tires, 700 x 15	80.00	

B—AUTOMOTIVE TIRES—*Continued*

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
36	Tires, 750 x 20, 10 ply	$ 1,800.00	
2	Tires, 700 x 17, 6 ply	44.00	
7	Tires, 650 x 20, 8 ply	210.00	
21	Tires, 700 x 20, 8 ply	819.00	
17	Tires, 750 x 20, 10 ply	765.00	
2	Tires, 825 x 20, 10 ply	108.00	
37	Tires, 900 x 18, 10 ply	1,961.00	
4	Tires, 900 x 20, 10 ply	236.00	
9	Tires, 700 x 16, 8 ply	207.00	
1	Tire, 800 x 18, 10 ply	72.00	
5	Tires, 450 x 19, 4 ply	39.00	
3	Tires, 1000 x 28, 4 ply	135.00	
2	Tires, 800 x 32, 4 ply	80.00	
1	Tire, 900 x 24, 12 ply	99.00	
2	Tires, 700 x 20, 10 ply	98.00	
1	Tire, 750 x 15, 12 ply	49.00	
5	Tires, 800 x 24, 4 ply	125.00	
2	Tires, 1200 x 24, 16 ply	250.00	
6	Tires, 1000 x 22, 12 ply	570.00	
6	Tires, 760 x 15, 6 ply	132.00	
1	Tire, 550 x 16, 4 ply	9.50	
3	Tires, 23 x 5, 8 ply	36.00	
2	Tires, 25 x 6, 8 ply	32.00	
2	Tires, 750 x 15, 12 ply	120.00	
1	Tire, 700 x 16, 6 ply	23.00	
4	Tires, 1050 x 16, 12 ply	348.00	
4	Tires, 900 x 20, 10 ply	340.00	
2	Tires, 750 x 15, 6 ply	70.00	
1	Tires, 750 x 24, 10 ply	51.00	
2	Tires, 1300 x 24, 8 ply	187.00	
3	Tires, 1600 x 20, 16 ply	480.00	
4	Tires, 650 x 20, 8 ply	102.92	$ 20.00
6	Tires, 700 x 20, 8 ply	439.20	90.00
17	Tires, 400 x 18, 4 ply	170.00	
3	Tires, 650 x 20, 8 ply	88.05	
3	Tires, 1050 x 16, 12 ply	416.34	206.00
1	Tire, 1200 x 24, 4 ply	484.70	
23	Tires, 650 x 20, 6 ply	481.85	
1	Tire, 900 x 24, 4 ply	41.70	
1	Tire, 750 x 20, 10 ply	30.62	*
2	Tires, 19 x 3.25	14.40	*
2	Tires, 1000 x 20, 12 ply	125.72	120.00
10	Tires, 670 x 15	152.50	70.00
4	Tires, 900 x 16, 10 ply	240.00	*
1	Tire, 700 x 20, 8 ply	36.84	
3	Tires, 350 x 4, 4 ply	24.60	*
5	Tires, 760 x 15, 4 ply	85.00	
6	Tires, 700 x 18, 8 ply	180.00	
1	Tire, 700 x 16, 4 ply	17.00	
3	Tires, 650 x 15, 4 ply	48.00	
4	Tires, 700 x 20, 10 ply	176.00	477.77
2	Tires, 700 x 17, 6 ply	40.00	
6	Tires, 650 x 20, 8 ply	186.00	
4	Tires, 400 x 12, 4 ply	28.00	
6	Tires, 1050 x 20, 12 ply	486.00	
1	Tire, 750 x 16	41.58	*
7	Tires, 400 x 18, 4 ply	52.50	37.50
10	Tires, 1200 x 24, 4 ply	412.40	
2	Tires, 650 x 20, 6 ply	66.38	50.00

Questions

B—AUTOMOTIVE TIRES—(*Concluded*)

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
4	Tires, 1400 x 20	$ 524.60	*
4	Tires, 1400 x 20	512.00	
2	Tires, 1400 x 20, 18 ply	394.00	
14	Tires, 600 x 16	236.88	
16	Tires, 825 x 20	848.00	
5	Tires, 1400 x 20	350.00	
6	Tires, 1100 x 24, 12 ply	660.00	
1	Tire, 750 x 20	40.35	
6	Tires, 750 x 20	96.00	
2	Tires, 400 x 7	7.40	
5	Tires, 450 x 12	41.00	
4	Tires, 1000 x 15, 12 ply	312.52	
1	Tire, 15 x 5 x 11½, solid hard rubber	15.40	
7	Tires, 400 x 18, 4 ply	27.58	*
8	Tires, 550 x 16, 4 ply	71.92	
1	Tire, 600 x 9	15.11	
1	Tire, 700 x 16, 6 ply	23.00	
10	Tires, 700 x 17, 8 ply	360.00	
1	Tire, 700 x 24, 10 ply	38.42	
60	Tires, 825 x 15, 12 ply	3,383.40	
10	Tires, 900 x 20, 10 & 12 ply	658.30	
6	Tires, 900 x 24, 10 ply	170.28	
80	Tires, 1000 x 20, 12 & 14 ply	7,052.80	
11	Tires, 1000 x 22, 12 ply	854.48	
11	Tires, 1400 x 20, 12 & 14 ply	1,370.60	
8	Tires, 1600 x 20, 16 ply	1,802.40	
7	Tires, 1800 x 24	2,241.40	
1	Tire, 600 x 16	24.15	*
3	Tires, 1050 x 16, 12 ply	499.98	
7	Tires, 300 x 20	84.91	
1	Tire, 1050 x 16	138.78	$ 2.60
3	Tires, 750 x 16, 8 ply	159.78	25.00
1	Tire, 750 x 16, 8 ply	53.29	
1	Tire, 650 x 20, 6 ply	23.00	*
1	Tire, 600 x 16, 4 ply	11.52	12.50
2	Tires, 600 x 16, 4 ply	17.10	25.00
1	Tire, 700 x 16, 4 ply	17.00	*

C—AUTOMOTIVE TUBES

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
5	Tubes, 650 x 20	$ 30.00	*
23	Tubes, 650 x 20	146.05	$ 13.80
1	Tube, 10 x 28	7.74	1.00
13	Tubes, 400 x 19	18.07	13.00
8	Tubes, 400 x 16	21.44	*
1	Tube, 700 x 24	5.52	*
2	Tubes, 450 x 16	2.40	
2	Tubes, 45 x 16	1.44	*

C—AUTOMOTIVE TUBES (*concluded*)

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
5	Tubes, 400 x 18	$ 12.30	*
6	Tubes, 900 x 20	56.34	*
1	Tube, 900 x 15	4.61	*
4	Tubes, 400 x 18	10.71	
1	Tube, 890 x 15	8.08	
1	Tube, 890 x 15	12.35	
1	Tube, 975 x 20	5.67	
1	Tube, 1100 x 20	33.96	
6	Tubes, 750 x 16	18.00	*
3	Tubes, 400 x 18	8.04	
6	Tubes, 750 x 20	42.72	
1854	Tubes, 400 x 18, 450 x 18, 400 x 19	2,968.40	*
3	Tubes, 350 x 4	5.40	*
8	Tubes, 400 x 19	21.44	$ 9.00
1	Tube, 1400 x 20	17.00	*
23	Tubes, 650 x 20	101.20	*
2	Tubes, 8 x 24	6.00	
4	Tubes, 700 x 18	12.00	
1	Tube, 25 x 6	2.00	
36	Tubes, 750 x 20	144.00	
1	Tube, 700 x 16	3.50	
1	Tube, 700 x 15	2.25	
3	Tubes, 1300 x 24	45.00	
12	Tubes, 1300/1400 x 20	100.32	
5	Tubes, 700 x 15	12.00	
4	Tubes, 400 x 8	4.80	
8	Tubes, 750 x 20	32.80	
28	Tubes, 825 x 20	119.52	
9	Tubes, 1000 x 20	56.70	
5	Tubes, 1100 x 24	42.50	
2	Tubes, 1200 x 20	20.40	
5	Tubes, 1400 x 20	77.50	
11	Tubes, 400 x 18	12.76	
8	Tubes, 550 x 16	31.52	
5	Tubes, 600 x 20	19.70	
10	Tubes, 700 x 12	18.40	
28	Tubes, 700 x 17	90.16	
146	Tubes, 750 x 20	518.30	
23	Tubes, 825 x 15	74.06	
57	Tubes, 725 x 20	222.30	
2	Tubes, 900 x 16	8.32	
60	Tubes, 900 x 20	277.80	
43	Tubes, 1000 x 20	383.56	
3	Tubes, 1000 x 22	17.40	
27	Tubes, 1100 x 24	199.53	
9	Tubes, 1200 x 20	83.97	
16	Tubes, 1400 x 20	231.68	
13	Tubes, 1600 x 20	216.45	
12	Tubes, 2100 x 25 x 24	350.52	
3	Tubes, 900 x 18	12.48	
2	Tubes, 1000 x 18	17.84	
2	Tubes, 1300 x 24	14.92	
1	Tube, 400 x 15	1.79	*
1	Tube, 400 x 19	2.30	
1	Tube, 300 x 20	2.40	*
1	Tube, 9 x 36	4.00	*
1	Tube, 1200 x 24	11.22	*

Questions

D—SHOES

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
8376 pr	Shoes, canvas 297 pr. size 5 255 pr. size 5½ 506 pr. size 6 222 pr. size 6½ 52 pr. size 7 62 pr. size 8 28 pr. size 8½ 783 pr. size 9 336 pr. size 9½ 1870 pr. size 10 1527 pr. size 10½ 735 pr. size 11 936 pr. size 11½ 422 pr. size 12 299 pr. size 12½ 46 pr. size 13	$ 1.85/pr.	$0.332/pr
9 pr	Shoes, ladies, wooden soles	25.20	*
18 pr	Shoes, size not shown	61.20	*
9 pr	Shoes, gun floor, size 7	31.50	*
45064 pr	Shoes, leather, black 25 pr. size 4½B 118 pr. size 5B 797 pr. size 5C 421 pr. size 5½B 1276 pr. size 5½C 378 pr. size 6B 1812 pr. size 6C 546 pr. size 6½B 3392 pr. size 6½C 978 pr. size 7B 2790 pr. size 7C 99 pr. size 7½B 4250 pr. size 7½C 384 pr. size 8B 4373 pr. size 8C 848 pr. size 8½B 4431 pr. size 8½C 235 pr. size 9B 3940 pr. size 9C 540 pr. size 9½B 3000 pr. size 9½C 918 pr. size 10B 2307 pr. size 10C 190 pr. size 10½B 1394 pr. size 10½C 116 pr. size 11B 1557 pr. size 11C 152 pr. size 11½B 1178 pr. size 11½C 101 pr. size 12B 1264 pr. size 12C 165 pr. size 12½B 607 pr. size 12½C 91 pr. size 13B 159 pr. size 13C 55 pr. size 13½B 62 pr. size 13½C 50 pr. size 14B 65 pr. size 14C	6.73/pr.	2.115/pr.
Each	*Mismated Footwear*		
106	Shoes OR	339.20	*
30	Shoes gym	24.75	
	Mismated Footwear		
2	Shoes gym	1.65	*
4	Shoes white	13.00	
29	Shoes black	94.25	
19	Shoes gym	15.65	
	Mismated Footwear		
56	Shoes black	179.20	*
4	Shoes gym	3.30	
8	Shoes gym	6.76	
	Mismated Footwear		
97	Shoes OR	620.80	*
21	Shoes gym	33.60	
8	Shoes, women's black	51.20	

E—HEELPLATES

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
350 prs.	Heelplates, horseshoe pattern special	$ 122.50	$ 15.00
210 prs.	Heelplates, horseshoe pattern special		
	120 prs. Size 5–6	40.80	4.20
	90 prs, Size 9½–11	30.60	
182 prs.	Heelplates, horseshoe pattern special Size 6–7½	6.46	*

F—DUCK COATS

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
	NIL REPORTED FOR DISPOSAL		

G—BOOTS

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
142 pr.	Boots, magazine canvas tops cotton web soles	$ 142.00	*
202 pr.	Boots, ankle, modified, clumpsole, high top	6.00/pr.	*
	5 pr. size 5D; 11 pr. size 8E		
	7 pr. size 5E; 1 pr. size 8F		
	3 pr. size 5F; 10 pr. size 8½D		
	3 pr. size 5½D; 1 pr. size 8½E		
	3 pr. size 5½E; 8 pr. size 9D		
	3 pr. size 5½F; 18 pr. size 9E		
	3 pr. size 6D; 6 pr. size 9½D		
	7 pr. size 6E; 6 pr. size 10D		
	5 pr. size 6F; 10 pr. size 10E		
	1 pr. size 6½D; 4 pr. size 10½D		
	1 pr. size 6½E; 1 pr. size 10½E		
	1 pr. size 6½F; 1 pr. size 10½F		
	5 pr. size 7D; 4 pr. size 11D		
	21 pr. size 7E; 5 pr. size 11F		
	7 pr. size 7½D; 3 pr. size 11½D		
	9 pr. size 7½E; 3 pr. size 11½E		
	6 pr. size 7½F; 4 pr. size 12D		
	13 pr. size 8D; 3 pr. size 12E		
Each	*Mismated Footwear*		
70	Boots, ankle leather	287.00	*
2	Boots, hi-cut	7.71	
10	Boots, knee	43.65	
10	Boots, aviation	70.50	
16	Boots, warm weather flying	67.28	
	Mismated Footwear		
78	Boots, Al	319.80	*
183	Boots, OR	703.90	

Questions

G—BOOTS—*Concluded*

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
Each	*Mismated Footwear*—continued		
6	Boots, gym	$ 10.23	
18	Boots, hi-cut	138.78	
2	Boots, lumberman	7.20	
12	Boots, rubber knee	17.40	
29	Boots, shearling lined	154.13	
2	Boots, aviation	10.00	
22	Boots, flying, warm weather	92.51	
	Mismated Footwear		
20	Boots, Al	82.00	*
4	Boots, gym	6.82	
2	Boots,	15.42	
6	Boots, lumberman	21.60	
2	Boots, rubber hip	10.80	
6	Boots, aviation	30.00	
	Mismated Footwear		
66	Boots, ankle leather	541.20	*
4	Boots, hi-cut	61.68	
2	Boots, rubber knee	6.00	
2	Boots, rubber hip	7.74	
3	Boots, aviation	30.00	
3 pr.	Boots, size not shown	26.40	*

H—RAYON SLIPS

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price

NIL REPORTED FOR DISPOSAL.

I—TROUSERS

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
7 prs. 4 prs.	Trousers, whipcord, fishery officers Trousers, summer, fishery officers	Not Shown	*
90 prs.	Trousers, winter ski, colour khaki, size range medium	$ 900.00	$ 123.95
17 prs.	Trousers, windproof, unlined, 13 prs. large size 3 prs. medium size 1 pr. small size	 77.35 17.85 5.95	*

I—TROUSERS—*Concluded.*

Quantity	Description and Size	Cost as Reported by Declaring Department	Selling Price
208 prs.	Trousers, sea dress, blue serge, army type.....	$ 9.50/pr.	*
	1 pr. size 9		
	7 prs. size 15		
	4 prs. size 17		
	8 prs. size 18		
	18 prs. size 19		
	13 prs. size 20		
	4 prs. size 21		
	7 prs. size 22		
	21 prs. size 23		
	17 prs. size 24		
	3 prs. size 25		
	29 prs. size 26		
	29 prs. size 27		
	14 prs. size 28		
	16 prs. size 29		
	6 prs. size 30		
	8 prs. size 31		
	3 prs. size 32		

EVALUATIONS OF MILITARY EQUIPMENT FOR PRODUCTION IN CANADA

Question No. 359—**Mr. Hellyer:**

1. Did teams of Royal Canadian Air Force, Royal Canadian Navy and army personnel make trips to various cities and factories outside Canada, between September 30, 1958 and February 20, 1959, for the purpose of evaluating military equipment which might be produced in Canada by Avro Aircraft Limited or Orenda Engines Limited?

2. If so, were representatives of the above companies invited to accompany the teams, and on what occasions?

3. What are the names of such representatives in each case?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. During the period extending from September 30, 1958 to February 20, 1959, teams from the three services did make visits to other countries for the purpose of evaluating equipment to meet the requirements of the Canadian armed forces. Before procurement action is taken consideration is given to the feasibility of having such equipment produced by Canadian industries.

2. Not by the Department of National Defence.

3. Not applicable.

DEATH PENALTY STATISTICS SINCE 1930

Question No. 377—**Mr. Howard:**

1. For each year since 1930 how many, if any, persons have been sentenced to the death penalty?

2. For each such year how many such persons have (a) been executed; (b) had the sentence commuted; (c) been otherwise dealt with and what are the details in each case?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1.

1930 — 23	1946 — 29
1931 — 32	1947 — 19
1932 — 23	1948 — 26
1933 — 21	1949 — 29
1934 — 26	1950 — 21
1935 — 17	1951 — 19
1936 — 22	1952 — 26
1937 — 14	1953 — 22
1938 — 19	1954 — 25
1939 — 11	1955 — 18
1940 — 21	1956 — 19
1941 — 15	1957 — 12
1942 — 13	1958 — 21
1943 — 10	1959 — 8
1944 — 18	(to April 30)
1945 — 19	

2. (a)

1930 — 13	1946 — 13
1931 — 25	1947 — 10
1932 — 13	1948 — 13*
1933 — 16	1949 — 11
1934 — 12	1950 — 10
1935 — 12	1951 — 11
1936 — 14	1952 — 10
1937 — 7	1953 — 8
1938 — 9	1954 — 10
1939 — 4	1955 — 6
1940 — 9	1956 — 5
1941 — 7	1957 — 3
1942 — 6	1958 — 3
1943 — 7	1959 — 0
1944 — 9	(to April 30)
1945 — 10	

(b)

1930 — 5	1946 — 8
1931 — 3	1947 — 3
1932 — 5	1948 — 5
1933 — 3	1949 — 6

(b)—*Concluded*

1934 — 5	1950 — 3
1935 — 3	1951 — 3
1936 — 4	1952 — 8
1937 — 2	1953 — 6
1938 — 8	1954 — 4
1939 — 4	1955 — 9
1940 — 6	1956 — 5
1941 — 7	1957 — 5
1942 — 1	1958 — 15
1943 — 1	1959 — 2
1944 — 4	(to April 30)
1945 — 5	

*Includes one condemned person who committed suicide.

(c)

1930, 5 new trials.

1931, 2 new trials, 1 conviction quashed, 1 died.

1932, 5 new trials.

1933, 2 new trials.

1934, 9 new trials.

1935, 1 new trial, 1 reduced to manslaughter.

1936, 3 new trials, 1 died.

1937, 2 new trials, 1 died, 2 convictions quashed.

1938, 1 new trial, 1 reduced to manslaughter.

1939, 3 new trials.

1940, 5 new trials, 1 conviction quashed.

1941, 1 new trial.

1942, 6 new trials.

1943, 1 new trial, 1 conviction quashed.

1944, 3 new trials, 1 reduced to manslaughter, 1 conviction quashed.

1945, 2 new trials, 2 reduced to manslaughter.

1946, 6 new trials, 1 conviction quashed, 1 reduced to manslaughter.

1947, 5 new trials, 1 reduced to manslaughter.

1948, 6 new trials, 1 died, 1 reduced to manslaughter.

1949, 8 new trials, 3 reduced to manslaughter, 1 conviction quashed.

1950, 8 new trials.

1951, 4 new trials, 1 reduced to manslaughter.

1952, 8 new trials.

1953, 3 new trials, 1 reduced to manslaughter, 2 convictions quashed, 2 suicides.

1954, 5 new trials, 4 reduced to manslaughter, 2 convictions quashed.

1955, 2 new trials, 1 reduced to manslaughter.

1956, 7 new trials, 2 reduced to manslaughter.

1957, 3 new trials, 1 reduced to manslaughter.

1958, 2 new trials, 1 pending.

1959, 6 pending (to April 30).

Explanatory note: The figures for the years 1930 to 1954 are those which are set out in appendix "B"—capital case statistics, of the report to the joint committee of the Senate and House of Commons on capital punishment. In the answer to part 2, the ultimate disposition of each case has been related back to the year of conviction. That is to say, if a sentence of death was imposed, for instance, in November of a particular year and was commuted in February of the following year, the case is treated, for the purpose of these statistics, as having been one where the sentence was imposed and commuted in the same calendar year.

The figures contained in the answer to question 1, are the number of convictions in that year.

EMPLOYMENT OF EXECUTIONERS SINCE 1925

Question No. 378—**Mr. Howard:**

1. Since 1925 have any hangmen or executioners been employed for the carrying out of judicially imposed death sentences?

2. If so, what are the names of each such executioner and the details as to the remuneration paid?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. Yes.

2. Camille Branchaud (understood to be a pseudonym); $100 for one postponement, $400 for one execution.

This is the only information available in the Department of Justice records and relates to the Northwest Territories. Executions in the provinces are the responsibility of the provincial authorities.

NATIONAL MUSEUM—DR. L. S. RUSSELL

Question No. 392—**Mr. Argue:**

1. Does Dr. L. S. Russell now hold a position at the national museum of Canada? If so, what position?

2. On what date was he first appointed, to what position and by what authority?

3. What positions has he held at the museum since that date, on what date did he take up each, and by what authority was he so appointed to each?

4. Were any of these positions under the jurisdiction of the civil service commission? If so, which positions?

5. Was a civil service competition held for any of these appointments?

6. If so, for which ones, on what dates were they held, what was the competition number of each, what names appeared on the civil service eligibility list for each competition, and in what order were they listed?

7. What positions had Dr. Russell held previous to his first appointment on the staff of the museum?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes. Director, natural history branch, national museum of Canada; acting director, human history branch, national museum of Canada.

Questions

2. On July 1, 1950, he was appointed as chief, zoology section, national museum of Canada, by civil service commission certificate.

3. Director, national museum of Canada; November 10, 1956; civil service certificate, director, natural history branch, national museum of Canada; January 1, 1957; civil service commission certificate.

4. Yes. Both positions were under the jurisdiction of the civil service commission.

5. Yes.

6. Chief, zoology section; May 11, 1950; competition No. 50-433; only one name appeared on the civil service eligible list 84042—L. S. Russell. Director, national museum of Canada; July 9, 1956; competition No. 56-599; two names appeared on the civil service eligible list in the following order—L. S. Russell, Jacques Rousseau.

7. Assistant palaeontologist, later changed to assistant geologist, geological survey of Canada, September 1930 to June 1937. Assistant professor of palaeontology, later changed to associate professor of palaeontology, University of Toronto July 1937 to June 1950. Assistant director, royal Ontario museum of palaeontology, later changed to director, July 1937 to June 1950.

BRITON DOOR CLOSER—RESEARCH TESTS

Question No. 414—**Mr. Herridge:**

1. Has the Briton door closer been tested more than once by the research laboratory of the Department of Public Works?

2. If so, on what dates were these tests made?

3. Were the results of the tests identical in each case?

4. Were the reports of these tests issued under the security heading of "restricted"?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

1. Yes.

2. March 21, 1957, and December 13, 1957.

3. Yes, they were essentially identical.

4. Reports are normally restricted to government agencies requesting the test work but such reports are not issued under the security heading of "Restricted".

DEMOLITION OF BUILDINGS, COLLEGE MILITAIRE ROYAL DE ST. JEAN, QUE.

Question No. 416—**Mr. Dupuis:**

1. Has the Minister of National Defence received any petitions for the demolition of certain historical buildings forming part of the College Militaire Royal de St. Jean, Quebec?

2. If so, from whom?

3. What steps are being taken in this connection?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. No.

2. Not applicable.

3. In order to improve the appearance of the college site and in view of the high maintenance and renovation costs, consideration is being given by the department to declaring surplus to requirement two buildings located at College Militaire Royal de St. Jean, Quebec.

INDIAN ACT—PROCLAMATIONS UNDER SECTION 4(2)

Question No. 422—**Mr. Howard:**

1. Since January 1, 1951, have any proclamations been issued pursuant to subsection 2 of section 4 of the Indian Act?

2. If so, what are the details of each such proclamation?

3. Have any such proclamations been revoked?

Answer by: **Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration):**

1. Since January 1, 1951, three proclamations have been issued pursuant to subsection 2 of section 4 of the Indian Act.

2. (a) In January 1958, section 93 (a) (i) and (b), and sections 95 and 96 of the Indian Act were made inapplicable to a parcel of land containing 162 acres, more or less, in Musqueam Indian reserve No. 2, leased to Shaughnessy heights golf club of Vancouver.

(b) In September 1954, section 73 (2) of the Indian Act was made inapplicable to the river desert band, Maniwaki Indian agency. This proclamation provided for a reduced number of councillors and was issued at the request of the band.

(c) In November 1953, section 73 of the Indian Act was made inapplicable to the Mohawks of the Bay of Quinte band, Tyendinaga agency. This proclamation provided for a reduced number of councillors and was issued at the request of the band.

3. No.

HOUSE OF COMMONS

Thursday, May 28, 1959

The house met at 2.30 p.m.

STANDING ORDERS

CONCURRENCE IN SIXTH REPORT OF THE STANDING COMMITTEE

Mr. J. W. Kucherepa (High Park) presented the sixth report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

TRADE

REMOVAL OF RESTRICTIONS ON CERTAIN U.K. DOLLAR IMPORTS

Hon. Gordon Churchill (Minister of Trade and Commerce): I should like to inform the house that an announcement is being made in London today of a further major step toward the dismantling of the United Kingdom's restrictions on purchases from Canada and other dollar countries. Effective June 8, restrictions on dollar imports will be completely removed from some 110 items including a number not previously liberalized from non-dollar countries. In addition non-discriminatory quotas will be established for 14 items for the next United Kingdom quota year. The existing dollar quotas for the current year will be enlarged for five other products. Most of the items on which controls are being removed can already be imported freely from western European countries and other commonwealth countries. This liberalization move represents an important and welcome measure of progress toward the elimination of discrimination against Canadian exports.

The steps which have now been taken by the United Kingdom are in accordance with the undertaking given by the president of the board of trade at the commonwealth conference in Montreal last September. At that time he said that all being well the United Kingdom would make a start this year with the removal of dollar restrictions on as wide a range of consumer goods and foodstuffs as possible. Most of the items affected by the latest liberalization move fall into these categories.

The products of particular importance to Canada which are now being completely freed from control include cheese, eggs, honey, cereal breakfast foods, macaroni, canned soups and vegetables, paints, leather and leather manufactures including footwear, rubber manufactures including tires and tubes, hollow ware and hardware, woodenware and domestic electric appliances.

Canadian producers will have access to global quotas for such products as sporting goods, toys and games, stationery, clocks and watches and costume jewellery, fresh pears, canned apples and paper manufactures. Dollar quotas will be increased for other types of canned fruits and for motor vehicles.

Canadian producers of a considerable number of items formerly subject to discrimination have now been placed on a footing of equality with non-dollar suppliers in the United Kingdom market. This will open up new opportunities for the expansion of Canada's export trade, and will contribute to the desirable strengthening of trade relations between Canada and the United Kingdom.

We are pleased that at this time the United Kingdom government should have moved in this substantial way toward carrying out the program for the removal of dollar restrictions announced at Montreal. Discrimination will still remain with respect to quite a number of Canadian products, but we hope it will not be too long before we shall see the end of the restrictions against dollar goods which the United Kingdom and other sterling area countries have felt obliged to maintain throughout the post-war period.

We welcome the widening of markets which the dismantling of these restrictions will bring about. We welcome also the great improvement in the economic position of the United Kingdom which has enabled her to make sterling convertible and to proceed with the removal of artificial barriers to trade.

With the permission of the house I will table a list of the items which have been liberalized. I have four copies here; other copies will be available later this afternoon.

Hon. L. B. Pearson (Leader of the Opposition): Naturally, Mr. Speaker, we on this side welcome this news of further liberalization of trade between the United Kingdom and Canada. We hope this process will continue until all the discriminations which have existed for many years will have been removed. The process of removal has been going on for a long time.

Proposed Legislation

We welcome this move also because it is a reflection of the economic and financial strength of the United Kingdom itself. These considerations, of course, have been an obstacle in the way of liberalization over the years. We hope this liberalization can be extended not only to the United Kingdom but to the sterling area as a whole. I am thinking particularly of trade between Canada and the West Indies.

In so far as this represents a move toward the achieving of this final objective, I am sure all hon. members on this side will greatly welcome this announcement.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, any move that reduces trade barriers in the world is welcome. Since we all are quite aware that Canada is dependent for her prosperity to a very large extent on export markets, anything that is done to make it possible for Canada to maintain and increase markets is, of course, welcomed. The United Kingdom is an exceedingly important market for Canadian goods, and this is an additional reason why we are happy at the announcement that has been made.

We realize at the same time that it is becoming more difficult to maintain markets for Canadian goods. The European common market has raised certain difficulties. The government frequently refers to increasing competition from the U.S.S.R. which adds to the difficulties facing Canada today in the export and trade fields generally. We welcome this announcement as a move in the right direction.

Mr. Speaker: I take it that the minister has leave to table the document to which he referred?

Some hon. Members: Agreed.

LENGTH AND MASS UNITS ACT

AMENDMENT CHANGING VALUE OF POUND IN RELATION TO INTERNATIONAL KILOGRAM

Hon. Gordon Churchill (Minister of Trade and Commerce) moved the first reading of Bill No. S-20 (from the Senate), to amend the Length and Mass Units Act.

Motion agreed to and bill read the first time.

WEIGHTS AND MEASURES ACT

AMENDMENT CHANGING VALUE OF POUND IN ACCORDANCE WITH INTERNATIONAL AGREEMENT

Hon. Gordon Churchill (Minister of Trade and Commerce) moved the first reading of Bill No. S-21 (from the Senate), to amend the Weights and Measures Act.

[Mr. Pearson.]

Some hon. Members: Explain.

Mr. Churchill: Is an explanation required?

Mr. Pearson: Why not?

Mr. Martin (Essex East): What is parliament for?

Mr. Churchill: Mr. Speaker, the standard of mass for Canada is the pound. There has been an alteration in the relationship of the value of the pound to the kilogram according to an international agreement, and it is necessary to incorporate that change in these bills.

Motion agreed to and bill read the first time.

UNEMPLOYMENT INSURANCE

REQUEST FOR MINUTES OF ADVISORY COMMITTEE MEETING ON AUGUST 19, 1958

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Minister of Labour. Notwithstanding the decision taken by the house the other day, having regard to the fact that the particular document has now appeared in the press textually will the minister now table the minutes of the meeting of the advisory committee of the unemployment insurance commission held last August 19?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, a decision was made by this house the other day as to whether or not the minutes should be tabled. As to the newspaper article to which the hon. member referred, I have no information as to the source of the information which served as the basis of the article.

Mr. Pearson: A supplementary question, Mr. Speaker. Could the minister give the house an assurance that the document that has appeared in the press is an accurate account of the meeting?

Mr. Starr: Mr. Speaker, I have no knowledge as to whether or not it is.

Hon. Paul Martin (Essex East): Mr. Speaker, a supplementary question. In answer to the questions put by the Leader of the Opposition, and due to the fact that this hidden report has now been made public, does the minister not think this house is entitled to have the same information that has been given outside this house.

Some hon. Members: Order.

Mr. Speaker: Was the hon. member asking about the statement or was he pursuing the question of tabling? Because, as has been

properly said by the minister, the house did take a decision with respect to tabling of this document, and it would not be proper for any member to ask that it be done in contravention of the decision of the house.

Mr. Martin (Essex East): What I was seeking to establish, as the Leader of the Opposition did indicate, is that a new situation has been established, namely that the document which the minister said was privileged, the minutes of the committee, had been made known to the Canadian people through the press. The fact is that now, as the Leader of the Opposition has pointed out, the minutes of this meeting have appeared in the press of this country, and as a result surely we are entitled to a disclosure in this house such as has been made outside.

Mr. Speaker: Well, I may say to the hon. member that first the decision of the house would have to be disposed of. There is a procedure for dealing with the matter but the minister, in my view of the present situation, is prevented by a decision of the house from tabling the document, until that decision has been changed or removed. There is a procedure by which that can be done. It would not be proper to act in contravention of the decision of the house.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I may raise a point of order in that connection. The decision of the house was surely that the house would not compel the government to table the document, but the house did not decide to forbid the government from tabling it. It is a well recognized rule that the government may table any document in defence of its policies that in its wisdom it feels should be tabled, and it is in that context that we are urging that it be tabled now.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, may I say a word or two on this point of order. What the hon. member's suggestion really means is that if he or any of his colleagues can get hold by devious means, of a document to which they are not entitled, then the government has to table that document.

Mr. Pickersgill: Mr. Speaker—

Mr. Pearson: Just a minute. Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Pearson: On a point of order—

Some hon. Members: Closure.

Mr. Pearson: Mr. Speaker, without commenting on the minister's language, "by devious means", which is of doubtful propriety, this document has appeared in the press, and that is why we are asking the government to reconsider its decision to refuse to table the document, which was made before it appeared in the press. It has now appeared in the press and surely, Mr. Speaker, it is appropriate that we should know whether or not this is a document of the government. The only way that can be done is by having it tabled.

Mr. Speaker: I am impressed by the argument that the decision made by the house was to negative the request that this document be produced. It may be that the point of view expressed by the hon. member for Bonavista-Twillingate is right, namely that the government or a minister is free to submit documents to the house of his own volition.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, there is a well known and well understood rule with regard to privileged documents which I have heard my hon. friends opposite, when in office, invoke time without number. I am surprised that the hon. member for Bonavista-Twillingate, who has set himself up, on his own admission, as an authority with regard to the custody of official documents—and indeed he has a number of them in his possession at the moment in connection with another matter that he is pursuing— should say that if a document leaks and some portions of it are purported to be reported in the press, then all confidentiality between the government and its civil service advisers should be broken and the document must be tabled in the house. To say that is to make nonsense of the whole system of the confidential relationship between the government and the civil service of which my hon. friend has always pretended to be an upholder.

Mr. Pickersgill: Mr. Speaker, I think I have a question of privilege—

Some hon. Members: Oh, oh.

Mr. Speaker: I am not quite sure what the subject matter of the debate is. We are now at the period of oral questions. There have been two or three questions asked about this document and they have been answered. It seems to me there is no need for any further decision or any further discussion.

Mr. Pickersgill: Mr. Speaker, I think I have a question of privilege in relation to the misrepresentation of what I said. You have just listened to the Minister of Justice. I never said anything about the confidentiality of this document or anything at all about its nature. All I said was that it was a well

known rule of the house that notwithstanding the fact that the house would not order the production of privileged papers, the government was always free to table privileged papers when it saw fit to do so. That will be found in May. I cannot give the citation offhand, but I could look it up very quickly.

LABOUR CONDITIONS

NEWFOUNDLAND—INQUIRY AS TO GOVERNMENT ACTION ON LEGISLATION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. In reply to a question of mine on March 10 as to whether the government would disallow the Newfoundland legislation that is of such a controversial nature, the Prime Minister replied that consideration was being given to that question. Can the Prime Minister now say whether consideration is still being given to the question, or whether a decision has in fact been made to disallow the legislation?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, consideration is still being given to that question.

Mr. Argue: Is the government, by refusing to make a decision within the legal period of one year, in fact going to allow the legislation to remain in effect without taking a stand?

Mr. Speaker: Order. The hon. member knows that the government has not refused to disallow the legislation within the period of one year. He is asking a hypothetical question.

Mr. Argue: Then I have a further supplementary question. Is it the intention of the government to make a decision within the one year period?

Mr. Diefenbaker: Mr. Speaker, may I first point out that a period of approximately two and a half months has gone by. That leaves a considerable constitutional period within which to consider the matter finally.

Mr. Argue: Will a decision be made within that time?

NATIONAL DEFENCE

REPORTED SIGHTING OF UNIDENTIFIED SUBMARINE OFF NOVA SCOTIA COAST

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Will the minister comment on newspaper reports to the effect that an unidentified submarine had been sighted off the Nova Scotia coast.

[Mr. Pickersgill.]

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, while at Saint John attending a civil function H.M.C.S. *Nootka* was ordered by the flag officer, Atlantic command, to investigate a report from a source which appeared reliable that an unidentified submarine had been sighted. I am sure that all concerned regretted the departure of the *Nootka* from Saint John before the ceremonies had been completed but the people of Saint John will realize, as do all Canadians, that the primary duty of the Royal Canadian Navy is to protect our coasts and our shipping.

Mr. Hellyer: Was the minister pleased with the results of this test of his eastern defences?

Mr. Pearkes: Yes, Mr. Speaker. The navy always carries out its job well.

Mr. Fulton: Possibly Premier Smallwood had declared war again.

TRADE

AUTOMOBILES—REQUEST FOR RECIPROCAL TREATMENT ON EXPORTS TO U.K.

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Trade and Commerce, who is in a liberal mood this afternoon, whether, in view of the announced fact that under the new trade agreement between the United Kingdom and the Soviet union the latter will be able to export automobiles to the British market, the government will give immediate consideration to an arrangement with the United Kingdom for the export of Canadian manufactured automobiles on terms, not less generous than those now accorded by Canada to the United Kingdom for export to this country of British made automobiles?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the hon. member's suggestion will be given full consideration.

PIPE LINES

NORTHERN ONTARIO PIPE LINE—ALLEGED REFUSAL TO ALLOW CONTRACTORS TO BID

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Trade and Commerce, notice of which was sent to him. Has the minister any information that might allay the bitterness in northwestern Ontario over the fact that regional contractors were not invited and thus were unable to bid on the construction of stations along the line of the Northern Ontario Pipe Line Crown Corporation?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am not aware of any bitterness. There may have been some misunderstanding with regard to this operation. The Northern Ontario Pipe Line Crown Corporation has under construction this summer three compressor stations. These projects are specialized in nature and are subject to a very stringent completion date. They are required to ensure a continuous supply of natural gas to the eastern Canadian market and must be in operation by November 1, 1959; therefore, Northern Ontario Pipe Line Crown Corporation decided, on the advice of its engineers, to invite tenders from a selected group of contractors having specific experience in the type of construction involved. Twelve firms were invited to tender.

The corporation has called for public tenders for clearing, grubbing, roadwork, and the supply and erection of structural steel, and it is planned to advertise for public tenders in the near future for housing and office facilities at these stations. It is not considered feasible further to subdivide the project.

FINANCE

INQUIRY AS TO LOANS TO UNEMPLOYMENT INSURANCE COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Labour whether the government of Canada has made any loans to the unemployment insurance commission since May 7?

Hon. Michael Starr (Minister of Labour): I have not that information at the moment, Mr. Speaker, but I can get it.

HOUSE OF COMMONS

MR. CHURCHILL—REFERENCE TO REMARKS IN DEBATE ON MAY 27

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I rise on a question of privilege which I do not need to raise if the hon. member for Bonavista-Twillingate (Mr. Pickersgill) will rise and make the correction in *Hansard* which I asked him to make last night. If he is prepared to do that I need not say anything further. Yesterday in the course of his speech I suggested to him that he had used the word "minister" when he was talking about the hon. member for Assiniboia, and that from the context he could not refer to anyone but me. I am not now suggesting nor have I ever suggested that we have ample resources to nationalize any great pipe line. The reference I am making is to page 4071. If the correction is not to be made I suggest that anyone who selects that sentence from the context and makes it apply to me is incorrect in so doing.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I think the minister and I did not quite understand each other. After he drew the matter to my attention I read the context very carefully, and I was afraid that if I changed the word "minister", having regard to the minister's observation afterwards, it would make no sense whatsoever.

Some hon. Members: Oh, oh.

Mr. Pickersgill: By that I do not mean what I said; I mean what the minister said, because the minister would have referred to the word "minister" and it would not have been there. It was for that reason that I did not make the change. But I acknowledge that I said it inadvertently. I think I admitted that in the house at the time. I think the reference I made specifically to the dim prospect of the hon. member for Assiniboia ever becoming minister made the whole thing abundantly clear.

Mr. Argue: I am still no "has been".

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

The house resumed from Wednesday, May 27, consideration of the motion of Mr. Churchill for the second reading of Bill No. C-49, to provide for the establishment of a national energy board, and the amendment thereto of Mr. Howard.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in speaking last night I was asked a question by the hon. member for Cariboo (Mr. Henderson), and was able to give him only part of the answer. In answering his question I referred to the fact that I was only a small fish in a large pool, and that when it is my turn to speak the big fish have usually left the pool. However, I am quite certain that if the Prime Minister is interested in my remarks, he can read *Hansard* for himself.

We have opposed and are opposing the national energy bill that we have before us. One of the reasons we are opposing it is that it is not a national energy bill. I should like to refer not only to the Borden commission report which we have heard quoted—and that commission did a survey of the energy prospects of Canada—but also to the report of the royal commission on the economic prospects of Canada under the chairmanship of Mr. W. L. Gordon.

In his submission on Canada's economic prospects he mentions a number of other forms

of energy. I suggest that these other forms of energy must be taken into consideration if we are going to discuss an energy bill. I find that not only does he mention some of the ones that I referred to, but he also mentions some that I did not know about because I come from an inland area and therefore they do not affect me.

He points out at page 270 of the report of the royal commission that another form of energy is tidal power. He goes on to point out that in the maritime provinces, particularly at Passamaquoddy, a tidal power project has been discussed as a method of producing energy. This particular project must be national. It has been discussed by a national commission, a joint commission of the United States and Canada and they have discussed this matter since 1920. It is pointed out that this project, while physically feasible, is not necessarily an economic method of producing power at the present time. They point out at page 271 that in a joint commission report of 1950 the international Passamaquoddy tidal power project could be feasibly engineered, constructed and operated, and they go on to point out that it would be very expensive.

Another form of energy which I mentioned was nuclear energy. They pointed out some of the problems in the development of this form of energy, and also the fact that it was an important source of energy and would become much more important. Obviously if it is going to be a source of energy then it must be brought under the national energy bill if it is going to be truly national, and also take into consideration all forms of energy.

It also goes on to point out, as I mentioned last night, that there is a form of energy known as solar energy. I quote from the report at page 272:

> Solar energy holds out hopes in quite a different direction. It falls on cheap waste land just as abundantly as on built-up areas in the nation's larger cities and towns. Solar operated devices can (and indeed must) be small in size.

As I pointed out, this will be effective in our northern development. It will be a factor in developing power necessary for expansion in our far north. These are some of the things that I think must be taken in consideration in a national energy bill, but they have been completely ignored.

Again, I think this bill is only a combination of a number of other acts that have been used to regulate the export of hydro-electric power and the sale, export and transmission of gas and oil. Canada has many other forms of national energy. It has many other energy resources which should also be given consideration. Many other important reasons have been given why this bill should not be accepted and made final for the Canadian people. For this reason alone I suggest that the amendment should be supported and this bill be given the six months' hoist.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I listened with interest to the statement of the Minister of Trade and Commerce. I have read and studied the bill carefully, and I have also listened with a great deal of interest to the remarks made by various members during this debate.

I now rise to give, as it were, a summation of this group's point of view with respect to its hopes when the resolution was introduced; its disappointment when the bill was introduced into the house, and its alternative proposals to this legislation. In a way I am really concluding the remarks of this group on second reading and explaining our reasons for considering, shall I say, the aridity of this legislation. The embryo of this bill was buried in the very general language of the resolution preceding it.

I must say, Mr. Speaker, that all my life I have been a bit of an optimist, and I had hoped that a healthy legislative child would be born with the introduction of this bill. We did not expect a very lusty infant, but we did expect that it would be healthy. However, our hopes were doomed to disappointment on the introduction of the bill.

Why did we have these hopes? Why were we justified in having hopes that this legislation would to some extent be satisfactory to the members of this group? Well, Mr. Speaker, first of all because the royal commission gave its close attention to the energy problem in Canada. It was a royal commission appointed by this government which, after an expenditure of over $300,000 of public funds, made its report to the government. It was on that account that we expected this government to give effect at least to the major recommendations of this report, and so did a great many Canadians across the country.

In addition, our hopes at the resolution stage were considerably bolstered by statements made by the Prime Minister when he was a member of the opposition in 1956, as well as statements of other prominent members of the present government at that time. Then again, we thought after the discussion in 1956 and the study of the whole situation by the royal commission on energy that the government recognized the need to protect the national and consumer interests of Canada by the creation of an effective national energy board. Here we have the introduction of a bill which does not even give a definition of what energy is.

In addition, we felt justified in expecting something because of the name given to the

board, the national energy board, in the resolution preceding this bill. However, Mr. Speaker, we were sadly disappointed with the undernourished orphan which was born when the minister introduced the bill into this house, and it was because of our disappointment that the hon. member for Skeena (Mr. Howard) moved this amendment which in effect would kill the bill at this time.

On the government side we have support for the bill. The Liberals have, shall I say, offered their tepid benediction to the measure in the dulcet tones of the official Leader of the Opposition (Mr. Pearson), in the cello-like resonance of the hon. member for Essex West (Mr. Spencer), and the piccolo-like sweet tones of the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

Mr. Martin (Essex East): I think the hon. gentleman means Essex East.

Mr. Herridge: I beg the member's pardon. I meant Essex East.

Mr. Pearson: Mr. Speaker, may I also be permitted to correct my hon. friend and say that I am the leader of the official opposition, not the official leader of the opposition.

Mr. Herridge: I stand corrected. When I look at the good natured countenance of the leader of the official opposition I am rather inclined to extend his powers beyond those legally given him.

Mr. Speaker, I noticed during this debate that even the minister seemed to hang his head for the greater part of the time, and I noticed that on occasion he was peeping over at this group as much as to say, "Don't blame me entirely for this; it is not altogether mine." I could not help but think he looked like a shamefaced accoucheur in the introduction of this bill.

I listened to the speech of the hon. member for Macleod the evening before last with great interest. Apparently he speaks as a doctor of economics who has given some consideration to this measure. He has experience as a consultant in the oil and gas industry, and possibly has more understanding of the problem than a good many of his own colleagues. On that account I wish to quote a few passages from his speech which rather intrigued me and other members of this group, because if the speech is read carefully it was an expression of some doubt and concern. I now quote from page 4003 of *Hansard* of May 25, and this is what the hon. member said at that point:

> There is one other point I should like to mention and that is that those who are charged with the responsibility of examining the contracts of the different companies should look into the question of escalator clauses in those contracts. I am told these gas exporting companies have escalator clauses in their contracts. In other words the price of gas is set at a certain level and then it goes up year after year in increments and gradually the price is increased. I have heard that these escalator clauses are based on economic trends. I would recommend to the government that they look into the question of who drew these economic trends. There is no other industry in this country that I know of that has escalator clauses in contracts relating to the things which it sets out to sell.

That is one of the reasons why this group is so concerned about an effective national energy bill. Then again the member went on, on page 4004, to say:

> I believe that the economic forces should be bent in such a way that, over a long period of time, Canadian ownership will develop. Above all, we should maintain equity among the producers of gas and encourage Canadians to assume leadership in the production of gas and oil.

This is a clear admission that Canadians have not leadership in the production of gas and oil in this country at this time, and that is a situation this group is very concerned about. Then he went on to say, on the same page:

> I now want to say a few words on another matter. I have been tremendously impressed by the words of the Leader of the Opposition (Mr. Pearson) and of other members of the opposition and of the C.C.F.

So we have had some effect, you see, in this debate, Mr. Speaker. He continued:

> They have gone to great lengths in praising the report of the Gordon royal commission which recommended the establishment of an energy board. The Gordon royal commission made the energy board their number one recommendation. You may be interested in knowing how that recommendation got into the report.
>
> Mr. Gordon set up a system and asked for the help across Canada of scientists, economists and everyone whose services he could draw upon.

That is another reason, Mr. Speaker, why we object to this measure. The government has completely ignored the opinions and advice of this talented group of specialists in the field of the production of oil and gas, its marketing and so on. Then finally the hon. member finished his very interesting speech with these words.

Mr. Speaker: May I ask the hon. member what he is quoting?

Mr. Herridge: Mr. Speaker, I am quoting from *Hansard* of Monday, May 25.

Mr. Speaker: From this debate?

Mr. Herridge: Yes, Mr. Speaker.

Mr. Speaker: I suggested last night that it was not in order to quote at length from this debate. Hon. members have heard what has been said, and it is certainly repetitious to put the speeches on *Hansard* a second time. If the hon. member wishes to found an argument on something that was said, and

quote for that purpose, well and good; but that does not open the door to long quotations from this debate.

Mr. Herridge: I was quoting briefly from the speech of the hon. member for McLeod in order to develop my argument and give added reasons why this group is opposing this measure.

Mr. Speaker: It is quite permissible to quote for the purpose of founding arguments, but not for the purpose of putting the speech again before the house.

Mr. Herridge: I would not dream of doing that in any circumstances. But what did the hon. member for Macleod say, as reported at page 4005? He said, "The bill before the house is the best compromise that could be reached at this time." I am quoting in order to give a reason for this party's position. That is another reason why this group is opposed to this measure, because we consider it to be an unfortunate compromise which does not meet the needs of the Canadian national interest and the Canadian consumers at this time.

I was very interested to hear the remarks made by the hon. member for Kootenay East (Mr. McFarlane) with respect to the protests of certain municipalities in his constituency against the export of gas to the United States without the service being extended to the communities in that district. I support the hon. member wholeheartedly. Here is another illustration of the need for a board with effective powers. I have in my hand a copy of the *Kimberley News* of Wednesday, May 13 headlined "Kootenays seek Natural Gas—Ask Government Support" and I will quote briefly from the article in order to demonstrate the circumstances and the fact that the present authorities have no power to deal with these people; and as far as we can see, under this bill the national energy board will have no greater powers than those enjoyed by the present authority set up under the Pipe Lines Act.

Murray McFarlane, member of parliament for Kootenay East, will be requested to support a brief calling for the suspension of granting a gas export permit to Alberta and Southern Natural Gas until gas supply has been assured for the Kootenays.

The executive of the association of Kootenay municipalities—

Who, incidentally, sent me this paper.

—Friday night endorsed a brief to halt the shipment of 3,000,000,000,000 cubic feet of natural gas to the U.S.

Permission had earlier been granted to the company by the Alberta conservation board.

Dr. Fraser, commissioner at Creston will prepare the brief to be submitted to the federal government.

It was pointed out in a resolution presented to the executive meeting that the company is seeking an export permit from the dominion government to export the gas to the United States.

The pipe line crosses the southeast corner of the East Kootenays from Crowsnest at the Alberta boundary to Kingsgate at the Idaho boundary.

It has been pointed out that the communities of Fernie, Cranbrook, Kimberley, Chapman Camp, Marysville and Creston are all desirous of being served by natural gas.

The only way the Kootenays could obtain the gas would be from this planned export line which is not planned to conveniently serve them.

The resolution stresses the importance of the dominion government withholding the granting of a permit until the Alberta pipe line agrees to deliver natural gas to the boundaries of the East Kootenay municipalities at a cost comparable to which it is sold to the American pipe line companies at Kingsgate.

Fernie has already appeared before the Borden commission on the matter in a separate application.

If we had effective legislation there would be no necessity for these communities to present briefs to this government and go before commissions in order to get their natural right, the right to enjoy Canadian natural resources before they are exported to the United States.

This oil and gas industry is in my opinion a breed apart when it comes to dealing with governments at all levels and with consumers. That is indicated by my own personal experience. I remember when they were starting to build a pipe line across southeastern British Columbia, and the way some of the officials of the company concerned ignored the rights of citizens, or tried to ignore them, when it came to matters such as the location of the route of pipe lines, expropriation proceedings, compensation and so on, almost past belief. In a number of cases groups of citizens were obliged to organize and send representatives to Victoria. They were obliged to take co-operative and strong action in order to protect their rights, which should have been protected by law, either federal or provincial.

Again, when it comes to employment practices, these high and mighty people did not use the facilities of the national employment service in some districts in which they were operating. The manager of one of our employment offices in my own district told me that the engineer for one of these companies had said to him, "We are not going to use your potty little national employment service. We like a line-up at the office here every morning at seven o'clock so we can go along the line every morning and say 'You, and you, and you, and the rest can come back tomorrow' ". No other group of employers in southeastern British Columbia, in my experience, has taken that attitude and shown such complete disregard for Canadian rights, sensibilities and practices.

Then we come to the question of sales to the United States at lower prices than those which are being obtained in the province

of British Columbia and other parts of this country and, in this instance, the complete disregard shown for the requirements and the wishes of municipalities which have been established for a long period of years and whose people have made a great contribution to the wealth of this country—places such as Cranbrook or Kimberley where the famous Sullivan mine is located. Consider the enormous wealth of products which come from that area; think of the lumber industry and the coal industry in the towns along the eastern end of Crowsnest pass. The requirements of these municipalities, the requirements of industry and the requirements of Canadian consumers will be completely overlooked unless we have an effective national energy board with powers to protect their interests.

I said previously that the hon. member for Skeena (Mr. Howard) has moved this amendment, asking in effect for a six months' hoist for this legislation, because we believe that this bill does not give the board power to do the job it should do in order to protect the Canadian national interest and the interests of Canadian consumers. Here is a concrete illustration. This bill gives the national energy board no more authority than is exercised at the present time by the authorities who administer the Pipe Lines Act, if indeed it is to have as much. We intend to watch this situation very closely. What happens in the next few months with respect to the brief presented by the municipalities along the Crowsnest pass will determine very effectively whether the national energy board has the power to do the things which the minister says it can do.

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

Mr. Herridge: Certainly.

Mr. Churchill: It is in connection with this discussion as to the powers the board is to have. I wonder if the hon. member has looked at section 59, subsection 2, which will, of course, be considered in committee. That indicates quite clearly that the board has the power, which the hon. member claims it does not have, to see that the facilities available are offered to people nearby.

Mr. Herridge: I am glad the minister has raised that point. Strictly he should be called to order for referring to a section, but I want to reply if I may. This group likes the word "shall" in preference to the word "may". That is why we object, because the bill says "may".

Why has there been this retreat on the part of the government from the position taken by the Prime Minister and his colleagues when in opposition in 1956? They took a very strong position at that time. There must be a reason, and one must be fair. The reason is this, as far as we can see it; that this is a government which worships at the altar of free enterprise, enterprise as represented by the hon. member for Calgary West at the present time.

Mr. Smith (Calgary South): Calgary South.

Mr. Herridge: This government, because of its political philosophy, is caught in the squeeze between the pressure and wishes of the industry and the need to do something to protect the national interest and the interests of Canadian consumers. The result is this compromise, this ineffective bill, this undernourished legislative orphan, this achromatic child of the government's dilemma.

When we offer criticism of the bill in all fairness we must offer constructive alternative proposals and I intend to outline briefly what a C.C.F. government would do under these circumstances.

An hon. Member: That is an extremely hypothetical question.

Mr. Herridge: Someone has commented that that is a hypothetical question. Only time will prove that there is more substance in my remarks than the hon. member gives credit for at this time.

What would a C.C.F. government do under the circumstances? First of all let me say there would be no conflict between the philosophy and policy of a C.C.F. government and the national and consumer interest. Therefore there would not be a necessity for compromise and rationalization in the introduction of a bill of this kind as demonstrated by the effective distribution of gas in Saskatchewan, which the hon. member for Assiniboia dealt with so ably in his reply to the remarks of the Prime Minister, who made a most unfortunate reference to Saskatchewan.

A C.C.F. government would establish a national energy board responsible to parliament and avoid the day to day interference by the governor in council made possible under this bill. We recognize from attending various committee meetings this session the serious position of the Canadian economy in respect of international trade, and the necessity to do all that is possible to effectively meet increased competition.

One of the prime requirements in effectively meeting foreign competition in trade is low cost power effectively distributed across the country. A C.C.F. government would give effect to a national policy along the following lines. The national energy board would have

power to make recommendations to parliament with respect to public ownership that could best serve the national and public interest under various circumstances obtaining in Canada. That would be considered primarily in respect of the interprovincial transport of oil and gas. The board would be given power to protect the national consumer interest in the export of gas. It would not issue licences under which companies could sell gas in the United States at prices below those obtaining in respect of Canadian consumers.

A C.C.F. government would establish a board that would promote policies designed to conserve and direct the use of energy resources. A C.C.F. government would establish a board with power to ensure that, as far as is practicable, fuel and power resources were equitably distributed to all sections of the populated area of Canada. A C.C.F. government would establish a board with power to introduce rates and charges for the transportation of power in its various forms whether that energy was being transported under public or private ownership. A C.C.F. government would establish a board with power to co-ordinate the activities of various agencies having information that would assist in the development of energy resources whether on the federal or provincial level or in private industry.

A C.C.F. government would appoint a board with power to promote research into every field of the production, distribution and marketing of energy in Canada. A C.C.F. government would establish a board with power to work in co-operation with a dominion-provincial advisory energy council so that the activities of the board within the provincial sphere could be correlated and the rights of provincial jurisdiction would be respected. It would ensure that all activities were directed to the end of an ample supply of cheap power equitably distributed throughout Canada.

I have dealt with our hopes and disappointments, and have briefly outlined what would be the policy of a C.C.F. government if it were appointing a national energy board and introducing legislation of this type at this time. In our opinion the present bill is a legislative facade that provides the opportunity for the government to accept the credit for any small advantages that may accrue, and to place the blame for its disadvantages on the shoulders of the national energy board. It is a hollow shell, and for that reason the hon. member for Skeena has introduced his amendment which we shall support.

[Mr. Herridge.]

The house divided on the amendment (Mr. Howard), which was negatived on the following division:

YEAS

Messrs:

Argue
Herridge
Howard
Martin (Timmins)
Peters
Regier
Winch—7.

NAYS

Messrs:

Aitken, Miss
Allard
Allmark
Anderson
Asselin
Balcer
Barrington
Baskin
Batten
Beech
Bell (Saint John-Albert)
Belzile
Boivin
Bourbonnais
Brooks
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Cardiff
Caron
Carter
Casselman, Mrs.
Chambers
Charlton
Chown
Churchill
Coates
Comtois
Courtemanche
Creaghan
Crouse
Danforth
Denis
Deschambault
Diefenbaker
Dinsdale
Dorion
Doucett
Drysdale
Dubois
Dumas
English
Eudes
Fairclough, Mrs.
Fairfield
Fane
Fleming (Okanagan-Revelstoke)
Flynn
Forbes
Fortin
Garland
Grafftey
Granger
Green
Grenier
Grills
Habel
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hardie
Harkness
Hees
Hellyer
Henderson
Hicks
Horner (Acadia)
Howe
Jones
Jorgenson
Jung
Kindt
Knowles
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
Latour
Letourneau
Macdonald (Kings)
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McIlraith
McLennan
McMillan
McPhillips
McQuillan
McWilliam
Maloney
Mandziuk
Martin (Essex East)
Martineau
Martini
Matthews
Meunier
Milligan
Monteith (Perth)
Montgomery
More
Morissette

Morris	Rompre
Morton	Rouleau
Muir (Cape Breton North and Victoria)	Rynard
Muir (Lisgar)	Simpson
Murphy	Skoreyko
Nesbitt	Slogan
Nielsen	Small
Noble	Smallwood
Nowlan	Smith (Calgary South)
Nugent	Smith (Simcoe North)
Ormiston	Smith (Winnipeg North)
Pallett	Southam
Pascoe	Speakman
Paul	Spencer
Payne	Stanton
Pearkes	Starr
Pearson	Stearns
Phillips	Stefanson
Pickersgill	Stinson
Pigeon	Tassé
Pugh	Thomas
Racine	Thompson
Rapp	Thrasher
Ratelle	Tremblay
Regnier	Villeneuve
Ricard	Vivian
Richard (Kamouraska)	Walker
Richard (St. Maurice-Lafleche)	Weichel
Roberge	White
Robichaud	Winkler
Robinson	Woolliams
	Wratten—183.

Mr. Speaker: I declare the amendment lost. The question is on the main motion. Is the house ready for the question? I must inform the house that if the minister speaks now he will close the debate.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, it is not my intention to speak at any great length at this stage of the debate on second reading because I realize that the house generally is eager to get into the committee stage where the bill can be dealt with clause by clause. I appreciated the remark of the leader of Her Majesty's loyal opposition (Mr. Pearson) last night when he said, "We are trying to get this legislation through."

I prefer to refer to him as leader of Her Majesty's loyal opposition and not leader of the official opposition. He is obviously the official leader flanked by aspiring and unofficial leaders. But as leader of Her Majesty's loyal opposition he has co-operated to the extent of indicating that the house in general is anxious to get this legislation through and certainly to the committee stage so that there can be careful study of the various clauses.

In the course of the debate, although it was on the general principles of the bill, as it developed the principles were at times overlooked and certain extraneous material was introduced. But just to remind the house, I think it should be clearly set out that, as far as general principles are concerned, this bill is to establish a national energy board which shall, in order to assure to the people of Canada the best use of energy resources in this country, regulate in the public interest the construction and operation of oil and gas pipe lines subject to the jurisdiction of the parliament of Canada, the tolls charged for transmission by such pipe lines, the export and import of gas, the export of electric power and the construction of those lines over which such power is exported. The board shall also study and keep under review all matters relating to energy within the jurisdiction of the parliament of Canada, and shall recommend to the Minister of Trade and Commerce such measures as it considers necessary or advisable in the public interest with regard to such matters. The bill also authorizes the extension of the export and import provisions to oil.

In the course of my opening remarks on second reading I set forth the principles with which we are concerned. I might say here, Mr. Speaker, that I do not intend to deal with the remarks of each hon. member who participated in the debate up to this stage. I appreciate the valuable contributions made by many of those who took part, but so many of the points raised have reference to various clauses of the bill that it would seem advisable to deal with those suggestions and criticisms as the clauses come before the committee.

However, I notice that in some of the statements made by members of the opposition there was criticism to the effect that this bill did not go far enough in that it was not concerned with all forms of energy in Canada. In my opening statement I attempted to make it quite clear that we were not interfering with the dominion coal board and that we were not attempting to take over the functions now performed so adequately by Atomic Energy of Canada Limited but that we were concerned with the question of electricity, oil and gas, the export of those forms of energy and the import of them when necessary.

In the bill we have made provision for wide advisory functions of the national energy board so that board can advise the government as to the policy that might be pursued with regard to energy and the sources of energy. The opposition stressed the point that this bill should be referred to a standing committee, a suggestion which is hard to balance against their repeated statements that there is nothing new in the bill, that it is simply a continuation of policies which they have advocated in the past and which they had placed on the statute books. In

view of those statements, it is hard to understand why they would now want to refer this bill to a standing committee for further study.

They have referred to the work of the Gordon commission. They have commented upon the Borden commission. From both those careful investigations of energy in Canada surely sufficient information is now in the hands of the house for it to proceed with this bill without further reference to one of the standing committees. The committee of the whole house is quite competent to deal with it.

A great deal of attention was given by some hon. members of the opposition to the alleged seizure of arbitrary powers on the part of the government. This is a strange change of attitude on the part of my hon. friends opposite. It shows that they have learned something from the debates that took place in this house in 1955 and 1956 to which they have made reference and from which they have quoted at some length. I think they have learned in part the lesson that was taught them in those days. However, it ill befits them now to suggest—as was suggested by one member of the opposition, namely the hon. member for Ottawa West (Mr. McIlraith)—that closure was being attempted in this debate. Nothing of the sort is being attempted. The debate is wide open for any length of time that people desire. There is nothing in the nature of any seizure of arbitrary powers. Everything is disclosed in the bill. We have placed it before the house for consideration. Every aspect of it can be examined. We have no intention now —and never have had any—of wanting to do anything without the authority and consent of parliament.

They have directed their attention particularly to clause 87 which we have set in there subject to later proclamation. That is not an unusual course in connection with bills that come before this house. That course of action has been followed on many occasions in the past. It permits the house to examine the proposition, to give its consent —or withhold it, if it so desires—and then having the facts disclosed, permit the subsequent proclamation of a section or sections of the act when the time seems propitious for that to be done. There is no concealment here or no intention of taking any arbitrary powers. If it seems advisable at some subsequent date to proclaim section 87, the document which does that will be immediately tabled in the House of Commons and debate permitted with regard to that action.

[Mr. Churchill.]

Mr. McIlraith: I wonder whether the minister would permit a question just on that point?

Mr. Churchill: Yes.

Mr. McIlraith: How would debate on that document to proclaim be permitted? Under what procedure?

Mr. Churchill: It has been done before, Mr. Speaker. It would be open to the house at the time that document was tabled or subsequently, on recognition of the place in the program for a debate of that nature, to debate it. It has frequently happened that the government of the day has agreed to the debate of a subject on the request of the opposition. We are suggesting that can be done under these circumstances.

Mr. McIlraith: Like the immigration order.

Mr. Churchill: Hon. members of the C.C.F. party made a lengthy, if somewhat raucous, contribution to the debate and ranged extremely far afield. I am surprised to find them aligned in opposition to national development and to the establishment of a national energy board.

In the debate which took place in this chamber in February of 1957, and which has been referred to frequently by hon. members opposite, when the Prime Minister (Mr. Diefenbaker), who was then leader of the opposition, introduced a resolution advocating national development and in the course of his speech proposed the setting up of a national energy board, the C.C.F. party of that day, under its then leader, supported that resolution and supported the idea of national development and found no objection to the setting up of a national energy board.

But the present surviving members of what was once a strong party of this house have taken a stand against national development and against a national energy board. On the one hand they have advocated nationalization of pipe lines, public ownership, and on the other hand they have suggested that if there is to be a national energy board it should have complete powers without any responsibility to parliament, a misunderstanding surely of the function of parliament and how the executive is responsible to parliament. As I followed their argument through its devious course, it appeared to me that they were advocating some body which would be completely independent of this parliament. That is not the type of body that we are setting up. We are setting up a body which is responsible to the government, which in turn is responsible to parliament. Every action of that board and every action of the government is subject to question and review.

Mr. Argue: It is just a pawn of the cabinet.

Mr. Churchill: My hon. friend the leader of the C.C.F. group, who speaks not in the measured tones of his distinguished predecessor of a few years ago, says it will be a pawn of the cabinet. That is not true. Like any other body set up by parliament it will report to the cabinet and it will report through the Minister of Trade and Commerce to parliament, and every action taken will be reviewed. I do not see the purpose that is attempted to be served by the C.C.F. party in the attitude which they have taken with regard to this bill. The wisdom of the house is of course against them on the two motions we have had before this house. The house has voted them down and has pressed on with the consideration of this particular problem.

We are prepared, Mr. Speaker, in the committee stage to examine very closely all angles of what I have earlier said is a very complicated problem. There is no pretense that this question of dealing with energy and the sources of energy in Canada is not complicated. It ranges far afield and involves not only matters within our own country and the conservation of our resources but our export policy, our relations with our neighbour the United States, and all sorts of difficulties which arise in dealing with oil and gas in particular.

In conversations with members of the federal power commission in the United States which have been conducted over the years by officials of the department, a great deal of advice and information has been received as to the difficulties which confront boards charged with responsibility such as we are proposing to give to the national energy board. We appreciate the difficulties that are ahead, and it is for that reason that so much of this bill has been drawn in general rather than specific terms, so that the national energy board comprised, as we expect it will be, of men of experience and ability will, in the general framework which will be set out, be able to map out a policy which will be in the general interest of all Canadians. Experience over the course of the next 12 months will guide us in the future, but this is a step in the right direction. This, as I said on the introduction of the resolution, is the fulfilment of a policy pursued by this party over many years.

As the Prime Minister mentioned, the suggestion of a national energy board to deal with Canada's national development was proposed by the late Gordon Graydon many years ago, and subsequently that idea was carried forward year after year through debates in this house sponsored by the Conservative party. The setting up of the national energy board at this stage is part of the fulfilment of our desire to develop the resources of Canada in the interests of all Canadians, and we are confident that through the bill which is now before the house, and subsequently through the board which will be set up, the interests of Canadians will be protected, that our resources will be adequately developed, and Canada will continue to maintain her position as one of the leading nations of the world.

The bill which is before the house setting up a national energy board I am sure will meet with general approval throughout this country. We have already had indication that there is general approval for action of this nature which is in line with the policy of national development announced by this party and now being followed through on many fronts. No front is of greater importance to the Canadian people than that which relates to energy, and the national energy board will fulfil the purpose that we have had in mind over the years.

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

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

YEAS

Messrs:

Aitken, Miss
Allard
Allmark
Anderson
Asselin
Balcer
Barrington
Baskin
Batten
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Boivin
Bourbonnais
Brooks
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Cardiff
Caron
Carter
Casselman, Mrs.
Chambers
Charlton
Chown
Churchill
Coates
Comtois
Courtemanche
Creaghan
Crestohl
Crouse
Danforth
Denis
Deschambault
Diefenbaker
Dorion
Doucett
Drysdale
Dumas
English
Eudes
Fairclough, Mrs.
Fairfield
Fleming (Okanagan-Revelstoke)
Flynn
Forbes
Fortin
Frechette
Fulton
Garland
Godin
Grafftey
Granger
Green
Grenier
Grills
Habel
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Hellyer
Henderson
Hicks
Horner (Acadia)
Howe

Division

Jones	Nugent
Jorgenson	O'Leary
Jung	Ormiston
Kindt	Pallett
Korchinski	Pascoe
Kucherepa	Paul
Lahaye	Payne
Lambert	Pearkes
Latour	Pearson
Letourneau	Phillips
Macdonald (Kings)	Pigeon
Macdonnell	Pugh
MacEwan	Racine
MacInnis	Rapp
MacLean (Queens)	Ratelle
MacLean (Winnipeg North Centre)	Regnier
	Ricard
MacLellan	Richard (Kamouraska)
Macquarrie	Richard (St. Maurice-Lafleche)
MacRae	
McBain	Roberge
McCleave	Robinson
McDonald (Hamilton South)	Rompre
	Rouleau
McFarlane	Rynard
McGee	Simpson
McGrath	Skoreyko
McGregor	Slogan
McIlraith	Small
McLennan	Smallwood
McMillan	Smith (Calgary South)
McPhillips	Smith (Simcoe North)
McQuillan	Smith (Winnipeg North)
Maloney	Southam
Mandziuk	Speakman
Martin (Essex East)	Spencer
Martineau	Stanton
Martini	Starr
Matthews	Stearns
Meunier	Stefanson
Milligan	Stinson
Monteith (Perth)	Tassé
Montgomery	Thomas
More	Thompson
Morissette	Thrasher
Morris	Tremblay
Morton	Villeneuve
Muir (Cape Breton North and Victoria)	Vivian
	Walker
Muir (Lisgar)	Weichel
Murphy	White
Nesbitt	Winkler
Nielsen	Woolliams
Noble	Wratten—179.
Nowlan	

NAYS

Messrs:

Argue	Peters
Herridge	Regier
Howard	Winch—7.
Martin (Timmins)	

Mr. Dinsdale: Mr. Speaker, I was paired with the hon. member for Bonavista-Twillingate (Mr. Pickersgill). Had I voted, I would have voted for the motion.

Bill read the second time and the house went into committee thereon, Mr. MacEwan in the chair.

On clause 1—*Short title.*

Mr. Peters: Mr. Chairman, it was pointed out that this group believes that this bill is not properly referred to in the first clause. A national energy board should be empowered to deal with energy in all forms whereas this bill establishes a national energy board in respect of the regulation of gas and oil only. I therefore move, seconded by the hon. member for Timmins:

That clause 1 be amended by deleting the word "Energy" and substituting the words "Gas and Oil Regulatory".

The Acting Chairman (Mr. MacEwan): Is the committee ready for the question?

Some hon. Members: Question.

Amendment negatived: Yeas, 6; nays, 108.

The Acting Chairman (Mr. MacEwan): I declare the amendment lost.

Clause agreed to.

On clause 2—*Definitions.*

Mr. McIlraith: There are so many subparagraphs to this clause that I wonder whether it is the intention of the minister to deal with them as one clause or one by one? I have some remarks on several parts of the clause. It would be more orderly if they were dealt with one by one.

Mr. Churchill: It is immaterial to me. If the Chairman would call them alphabetically it would be all right.

Subclauses (a) and (b) agreed to.

On subclause (3)—*Company.*

Mr. McIlraith: Can the minister make clear the origin of this definition of "company" and explain the difference in the definition from that contained in the previous legislation?

Mr. Churchill: Mr. Chairman, in the Pipe Lines Act "company" is defined in section 2, subclause (b) as follows:

"Company" means a person having authority under a special act to construct or operate pipe lines for the transportation of oil or gas.

There is no change there except that we said, "To construct or operate pipe lines".

Mr. McIlraith: The point I want to make is that it appears that by adopting the definition contained in this subclause the minister is striking out any differentiation between company pipe lines and other pipe lines. Can he develop that, or explain why it has been done?

Mr. Churchill: There is no intention to make that distinction. In the Pipe Lines Act, chapter 211 of the Revised Statutes of Canada a company pipe line was defined. We dropped that and here we define a company and later we define a pipe line.

Mr. McIlraith: What I am seeking to point out is that there is a difference in the definition here from the former legislation. There was a difference between a company pipe line and a pipe line. That distinction seems to have been dropped. I am not arguing that it should or should not be dropped. I would like the minister to tell the committee why this distinction has been dropped. What is the effect of it?

Mr. Churchill: Perhaps I did not make it clear. It was a separation of the definition. The company pipe line in the Pipe Lines Act was explained rather fully, and what we have done is to split the thing, to define "company" as I read it out just a minute or two ago and then to define "pipe line" on page 2, incorporating the relevant phrases that occur in the Pipe Lines Act. It seemed to us to make it clearer to drop the expression "company pipe line".

Mr. McIlraith: Mr. Chairman, the Pipe Lines Act contains a definition of the word "company", then a definition of "company pipe line" and then a definition of "pipe line". The effect of that was to have two classes of pipe lines, the company pipe line and then the other pipe lines that were included in the definition "pipe line" and which were not company pipe lines. That distinction has been dropped. There must be some reason for it.

Mr. Churchill: I think we have it clarified by the present definition, Mr. Chairman. The explanation that has been put forward is that under the old act a pipe line could include things other than the movement of oil or gas. It might be for the movement of water or salines, liquids, and things of that nature.

Mr. Howard: Mr. Chairman, before you proceed to pass the definition of "company", may I say I read this to mean that it includes a crown corporation, if one were established to operate a pipe line. Is that so?

Mr. Churchill: That appears to be correct.

Mr. McIlraith: Mr. Chairman, not only that but it excludes other companies that may be operating pipe lines because of the fact they were operating much earlier than the enactment of the Pipe Lines Act.

Mr. Godin: Can the minister explain how under this act a company can mean a person? No permits will be granted to companies. It would seem to me that one person is singled out in this subclause, which is definitely not the intention.

Mr. Churchill: In the Interpretation Act a person includes a company. This is just a reprint from the Pipe Lines Act.

Mr. McIlraith: No, it is not a reprint. It omits part of the definition in the Pipe Lines Act. It is not a reprint; it is a reprint of part of it.

Mr. Godin: Can the minister explain to the committee why a company would not include a corporation, and so on, which would have a licence under the legislation which we are about to pass for the Canadian people concerning the administration of energy in Canada.

Mr. Churchill: I wonder whether the hon. member would repeat that question? I missed part of it.

Mr. Godin: The clause as it now stands is not in conformity with the previous act from which apparently it comes by way of the scissors and paste method. The bill simply states that "company" means a person having authority under a special act to construct or operate pipe lines. Why should it no be more specific and indicate what bodies or entities may be considered as companies to whom we may grant permits, further extend permits, refuse permits and so on?

Mr. Churchill: I thought that the explanation of that was in what I said earlier about the Interpretation Act.

Subclause agreed to.

On subclause (d)—*Export.*

Mr. McIlraith: Will the minister explain the origin of this definition?

Mr. Churchill: This is the definition in the Exportation of Power and Fluids and Importation of Gas Act in so far as power is concerned and, quoting from that act, the definition of "export" is as follows:

> "Export" means
> (i) with reference to power, to send from Canada by a line of wire or other conductor.

That portion of the definition in the bill comes from the Exportation of Power and Fluids and the Importation of Gas Act.

Mr. McIlraith: I am concerned with the second part of subclause (d). I take it that is new. Is that correct?

Mr. Churchill: That is new because of the use of the word "hydrocarbons" instead of the word "fluids".

Mr. McIlraith: What I want to get some explanation of is this. Under the Exportation of Power and Fluids and Importation of Gas

Act the term "export" was defined, and the definition in so far as power is concerned is the same in the bill as in that act, but with reference to fluids the definition of the word "export" is wholly changed. The definition in the Exportation of Power and Fluids and Importation of Gas Act dealing with fluids reads as follows:

"Export" means—
(ii) with reference to fluids, to send from Canada through pipe lines or other like contrivances.

In other words, there are two limitations there. The export of oil under these regulations was confined to the export of oil through pipe lines, and that is the only oil under control under that act. That was the point I sought to make with respect to the Prime Minister's remarks on second reading. When he addressed the house he dealt with this subject but he did not make any reference to the limitation contained in that act and, indeed, in remarks he made during the course of the debate yesterday the Minister of Public Works was guilty of the same omission.

Mr. Green: Is it not a fact that there is no export by any other means than pipe lines?

Mr. McIlraith: I am seeking to clear up what might very well be a misleading impression created by the Minister of Public Works when he stated, if I remember correctly, that there had been the right to control exports since 1907. I sought to point out by way of interjection, which, of course, is a poor way to do it, that control was limited to export through pipe lines. In other words, it was an attempt to control pipe lines and, indeed, it came into force in 1907 at a time when there was no question of export. The problem of finding markets for oil simply did not exist then. That was the point I wanted to make. I thought that the minister should clear up the matter here because otherwise it could be very misleading.

Mr. Churchill: In recent years the pipe line method of moving oil has been almost universally accepted, and as far as Canada is concerned that is the way it is moving instead of by tank car or truck. There can be export by these other means and we have made allowance for that but normally export is by pipe line.

Mr. McIlraith: The point I wish to make is that export by pipe line, of course, obviously refers only to export to the United States and by means of that one method only. The bill is sharply different. Contrary to the argument made by the Prime Minister and implied by the Minister of Public Works, the export control now sought by the minister is sharply different in that it involves export by any means. That is the whole crux of the argument. I do not see why that is not admitted and put forward in that way by the government. I do not see why there should be an attempt to be confusing with respect to it.

It is quite clear that any control or regulation with regard to the export of oil was limited by that definition to export through pipe lines which means export to the United States by one method only and that there was not control of export by tanker or any other method which would imply, of course, export to other countries and which could become important now that this country is in the fortunate position that the oil industry has developed. There is a big problem to be faced in finding markets. It is a wholly different problem and I think the minister should clear up this matter.

Mr. Green: I think the hon. member for Ottawa West misunderstood the exchange between the hon. member for Bonavista-Twillingate and myself. He was complaining about the government taking arbitrary powers and so on and so forth and I asked him if he was not aware that since 1907 there had been control over the export of oil. That was the basis of the question and it was asked because he was criticizing us for taking control over the export of oil. Then he admitted that the former government had this control, and in effect they had control over all export of oil because oil was only exported by pipe line.

Mr. McIlraith: I do not think I can let the minister get away with that argument because in fact there was only authority to control it through pipe lines and if there was any other practical method of shipping oil to any other country by any other means it was not under control. In other words, what was sought to be controlled in 1907 was the subject of pipe lines, not the subject of the export of oil. Our problem today is quite different. We are seeking to find markets for oil. I think the minister will agree that at that time the problem arose because of the necessity for control of the export of electricity. That is the point I want to make.

Mr. Pearson: Mr. Chairman, under this subclause the definition of "export" so far as hydrocarbons are concerned is unlimited, in other words, "to send from Canada by any means" but in a subsequent subclause, subclause (g) which deals with imports, the definition of "import" in its application to gas and oil is limited to specified methods of importing. Would the minister explain why this distinction was made with regard to the definitons of "export" and "import"?

Mr. Churchill: The Leader of the Opposition is quite correct. The definition has been spelled out when we are dealing with imports in subsection (g). There the idea was that if a license procedure had to be adopted for imports of oil, it would not apply to small quantities which might come in by other means than those there specified. Under the question of export and sale by any means, it was not spelled out in the same way in view of the fact that, if the control of the export of oil was under consideration, there might be substantial exports by other means —or it would include gas—not foreseen at the present time which perhaps should come under control.

Mr. Pearson: Then paragraph (d) which deals with export means that if oil were brought in by air freight it would not be subject to control because it would not be imported.

Mr. Churchill: I am not sure that the definition would apply there. There may be other methods unknown to us by which these things could be transported.

Mr. McIlraith: There is another point to be made clear with reference to export, namely that the government is seeking a sharp widening of any control there may have been in the past on two grounds. Formerly it was obvious that export control could only apply to the United States because it was through a pipe line. That is the first ground. The other is as to quantity. If by any chance they make export control regulations applicable by the act under the later section, then they are going to be controlling any quantities of oil to any country in the world. I am wondering just how far this matter has been thought through by the government and to what extent they intended so sharply to extend the export control as they are doing through this method of definition.

Mr. Churchill: I might point out that sections 82 and 83 give a certain amount of leeway here for exemptions and these exemptions could be applied in the case of small quantities or quantities that were not of any great importance. Section 85, subsection 2 indicates another exemption regulation.

Mr. McIlraith: That has to do with the regulations. The government is taking extremely wide power here and is asking for much wider power than was indicated in any of the speeches made on the second reading of this bill. It is quite true that they may say, "Maybe we will not take as wide power as we are asking for", but it is not in the act. Parliament has not passed on that matter at all. Parliament had the limitation in the earlier legislation; it does not have it at all in this legislation. Parliament had imposed its limitation in the earlier legislation; in this case parliament is asked to remove all limitations on the subject. That is the point I wish to make.

Mr. Godin: Mr. Chairman, as to the reference made by the minister to section 82 may I say this. Does not the word "exportation" in section 82 (a) refer to the definition in clause 2 (d) and therefore are we not back to the same problem?

Mr. McIlraith: Yes.

Mr. Churchill: I was drawing attention to subsection 2 of section 82 which reads:

> (2) A licence issued under this part may be restricted or limited as to area, quantity or time or as to class or kind of products.

Mr. Godin: Surely the minister is not expecting the board more or less to over-ride the cabinet and parliament as to what they will decide in the very elementary problem of what under this act it is meant for them to govern.

Mr. Churchill: Nothing of the sort.

Mr. Godin: We do not find in the definition anything as to the responsibilities of the board. The minister refers the house to paragraph 2 of clause 82 and states that there they have more or less vague and unlimited powers to deal with areas and modes of transportation and that they will have in their own fashion the right to distinguish as to what is meant in the extremely important matter of this act.

Mr. Churchill: What I was objecting to in the hon. members' statement was this. I think he said something to the effect that the board would act without reference to parliament. If he will read section 82 again, he will notice it states "Subject to the regulations", and the regulations have to be approved, as will be seen by reference to section 85. In all instances these regulations will have to be approved by the governor in council. Hence the board is not simply given a free hand. Their authority would be spelled out in the regulations.

Mr. Godin: Is the minister indicating to the house that in the final analysis it is for the cabinet and the governor in council to decide all matters under this act?

Mr. Churchill: I do not know. If the hon. member wants to interpret it in that way it is within his rights as a matter of this house to do so; but it is not the interpretation that we put on it. Even in those acts which we are now supplanting by this one, regulations were passed spelling out some of the

sections of those acts and giving instructions as to what should be done with regard to licences, fees, export, import and so on.

Mr. McIlraith: There is one other point I wish to refer in connection with clause 2 (d). I refer to the definition in (d) (ii) "with reference to hydrocarbons, to send from Canada by any means". I have dealt with the point "by any means" being an enlargement over the former provision "by pipe line". As to hydrocarbons—we shall come to that matter separately—the terms has reference to oil and gas. The former act had to do with fluids and the definition of fluids included gas, oil, water or any other fluids and so on, exported by way of pipe line. I want to ask the minister just what other fluids, if any, are exported from Canada by pipe line, whether water or otherwise. Second, I should like to ask this question. If any water is exported from Canada, a matter which was regulated under the former legislation, what provision is made for the regulation of it now? Is it being dropped from all regulations? If so, why? The point turns on the definition of the word "fluids" in the former legislation and its omission in this legislation.

Mr. Churchill: In the old act having water in there meant that licences had to be issued for saline solutions and woodpulp in aqueous suspension. These are not going to be required under this act.

Mr. McIlraith: Will they be regulated under any other federal regulations or legislation?

Mr. Churchill: That is derived from the definition of fluids under the act, a saline solution and wood pulp in aqueous suspension.

Mr. McIlraith: As I understand it, that legislation is repealed?

Mr. Churchill: Yes.

Mr. McIlraith: Then does that mean there will be no regulatory control over such export at all?

Mr. Churchill: Not under this, because they were not sources of energy and therefore are not included here.

Mr. McIlraith: But as I understand it, that act is repealed by the new one.

Mr. Churchill: It will be.

Mr. McIlraith: The whole of that act is being repealed by the bill now before us?

Mr. Churchill: That is right.

Mr. McIlraith: I would like to find out from the minister if it is the intention of the government that such saline and wood pulp solution as now being exported by means of pipe line and under regulatory control will cease to be under regulatory control?

[Mr. Churchill.]

Mr. Churchill: If that control is now being exercised it will cease when the Exportation of Power and Fluids and Importation of Gas Act is repealed, and it is not our intention to impose any regulatory control.

Subclause agreed to.

On subclause (e)—*Gas.*

Mr. McIlraith: Subclause (e) is a new definition altogether. Would the minister give an explanation of that?

Mr. Churchill: Yes, that is a new definition. It brings in temperature of 60 degrees fahrenheit and pressure. The definition of gas refers to laboratory conditions and has nothing to do with the temperatures or pressures at which such hydrocarbons are normally carried or transmitted in commerce. The principal reason for such a definition, apart from convenience and the fact that gas and oil must be separated in some way, is that it was considered desirable to control the import of propane and butane into Canada, and to do this they must be classified as gases since the bill provides for the immediate licensing of gas imports but only for the contingent licensing of oil imports. Propane and butane are normally transmitted in liquid form, but under conditions of normal temperatures and pressures are gaseous and must fall under the regulations.

Mr. McIlraith: Then I take it that the definition of gas would include propane and butane as presently transported; is that the intention?

Mr. Churchill: That is right.

Mr. McIlraith: One other question, and I am not sure whether this comes under the definition of gas or hydrocarbon. Perhaps I could leave it until we get to hydrocarbon.

Subclause agreed to.

On subclause (f)—*Hydrocarbon.*

Mr. McIlraith: I have two points on this. There was a pipe line company incorporated this session, but unfortunately I have forgotten the name of it at the moment. It had to do with a proposition to export certain material, if I may call it that for the moment. I think the minister will be familiar with the company I am referring to. Does the product proposed to be put through that pipe line come within the definition of either hydrocarbon or gas as defined in this legislation?

Mr. Churchill: The answer to the hon. member's question is that it is not included in this definition.

Mr. McIlraith: That is, it is not included in either the definition of gas or oil, and therefore it would not come under this legislation at all; is that right?

Mr. Churchill: Well, not at this stage. Subsequently, when we reach a clause further on in the bill I will draw attention to this and we will bring to the attention of the committee that that type of operation would come under a portion of this legislation.

Mr. McIlraith: Perhaps I can let it go. Am I to understand from that that it is not the intention of the government that such international pipe lines should be freed from control?

Mr. Churchill: There will be a minimum of control with regard to that type of pipe line which is not carrying an energy or a source of energy. At the same time we do not want to exclude from some of the provisions of this bill certain advantages which might come to a pipe line of that sort if it came under this legislation.

Mr. McIlraith: What I want to draw to the attention of the minister at this point is that such a pipe line is in the minds of the public, at least in areas of Canada where there are no big producers of oil, in exactly the same situation as an oil or gas pipe line with all the implications that that has with respect to the public financing of the company, and so on. I am just wondering as to the wisdom of the government freeing such an operation from control, with the careful type of hearing which is giving the public protection. I refer to the type of hearing that the board of transport commissioners has been giving to these cases, and which, I presume the new board will also give to these cases. It seems to me it is an innovation which should at least have been mentioned on second reading.

Mr. Churchill: The hon. member is referring to the Foothills Pipe Lines Ltd., is he not?

Mr. McIlraith: Yes, that is it.

Mr. Churchill: Which has been incorporated under Bill No. S-16 of the Senate of Canada. I judge that full opportunity was provided to obtain all the information which was being required with regard to the matters he has indicated in connection with the incorporation of a company of this nature.

Mr. McIlraith: Mr. Chairman, my concern did not have to do with the incorporation of the company at all. My concern had to do with the fact that by the definitions we are now adopting as to gas and hydrocarbon in relation to this present bill now before us we are exempting from the type of control which formerly existed under the Pipe Lines Act certain proposed very large international pipe lines dealing with the export of one of the oil industry by-products from western Canada. The implication of that is pretty serious because the whole concept at the time the Pipe Lines Act was enacted, and I think as is the intention with this bill, was to control those large interprovincial and international pipe lines. There was inherent in that legislation, as there is in this, a certain measure of protection in that the applicants had to come before a board—in the former case the board of transport commissioners, and in this case the national energy board—and give a great deal of information as to the economic soundness of their proposed operation. There is a long list of criteria which they have to prove before those boards, and as well as proving economic soundness in the sense of having a sufficient supply of the product to put through the line, and a sufficient market for it there was the requirement of this board for full information about the proposed method of financing so that anyone really concerned could find out exactly what the method of financing a line was to be—how much was to be debentured and bond debt, and how much was to consist of other types of capital; what the equity capital was and so on.

By taking such pipe lines outside the operation of the act we are really being asked to embark on a wholly new policy. I am wondering whether the government has considered this point and if it is really what the government intends. If this is the intention of the government, then nothing was said either on the resolution stage or on second reading which would indicate that this was the case. As a matter of fact the Prime Minister and the minister himself speaking on second reading both indicated that they were seeking to control all the energy sources. I think the subject is of sufficient importance to warrant a clear statement from the minister and, if I may take the liberty of making the suggestion to him, perhaps he would indicate the clause of the bill where there is any authority of the kind he suggests. We might then discuss the subject better when we come to that clause.

Mr. Churchill: When we come to clause 62 I will make an explanation with regard to this subject. But dealing with the hon. member's first point, may I say that we are dealing here with sources of energy. That is why we have limited this to gas, oil and electricity. The hon. member is quite right in saying that we have not in this legislation continued a form of control, or intended to do so, over other types of pipe lines. I am not sure whether the hon. member is advocating that control should be extended to pipe lines

dealing with materials which are not sources of energy or energy in themselves.

I grant that there have been developments in pipe line construction. There are experiments going on in the United States where other materials are being carried by pipe lines, notably coal and wood chips, and it may well be that other materials may in course of time be carried great distances on the North American continent by pipe lines. But we have not reached that stage in Canada yet, and we are not suggesting control of pipe lines presently under construction or earlier constructed other than matters dealing with energy and sources of energy—gas, oil and the power lines for electricity.

Mr. McIlraith: I do not know if the minister's explanation is sufficiently precise. A water pipe line is, of course, a pipe line dealing with a source of energy. I do not think it is good enough to leave the subject in this way. There is provision now for the control of such pipe lines and, increasingly, this is becoming a method of transporting water. The method has grown in use in the last few years since it has become so much easier to obtain pipes of large diameter and to construct large sized pipe lines. I think the minister might give some consideration over the dinner hour as to whether or not he should clarify the subject a little further. What he has done is to cut down the control over large pipe lines, interprovincial and international, and to eliminate several classes of pipe lines from control. There was no indication of this being done either on the resolution stage or during second reading and I think the committee should be given precise information on this point.

Mr. Churchill: I would be interested if the hon. member could give me instances of these pipe lines which he mentions. I made mention of two which are excepted under this legislation—saline solution was one, and the other was wood pulp in aqueous suspension. What other pipe lines has the hon. gentleman in mind? I do not know that my explanation could be clearer. We are not exercising control over pipe lines which are not carrying sources of energy.

Mr. McIlraith: You have excepted water.

Mr. Churchill: Can the hon. member give me an instance of a water pipe line which is used for crossing an international boundary in order to develop energy?

Mr. McIlraith: No, I cannot at the moment but I think I am entitled to get that information from the minister because he is the one submitting this legislation for repeal.

[Mr. Churchill.]

Mr. Churchill: I have no knowledge of any such pipe lines crossing an international boundary and no knowledge of any prospect of such pipe lines being constructed for the purpose of developing energy.

Mr. McIlraith: If the minister means to tell me, when he says he has no knowledge, that he has checked the point and found out that there are none being licensed through his department I am satisfied, but if he has not—

Mr. Churchill: It has been checked through the department and my officials assure me that my statement is correct.

Mr. Robichaud: Can the minister tell the committee whether the transport of wood pulp in aqueous state through pipe lines is at present governed by these regulations or whether any other regulations now cover such exports?

Mr. Churchill: It will not come under this legislation.

Mr. Robichaud: It will be under this legislation?

Mr. Churchill: No.

Mr. Robichaud: Will it be covered by any legislation at all?

Mr. Churchill: It may be, under provincial authority.

Mr. Robichaud: An international boundary? I have an example from Edmunston where there is a pipe line carrying pulp in bulk into Maine. Under what regulation is this export allowed?

Mr. Churchill: We may be at cross purposes. Is the hon. member suggesting that we should control that type of operation? I did not see that there was any purpose in maintaining whatever control there may have been in the past.

Mr. Robichaud: I was asking the minister if such operations would be under control.

Mr. Churchill: The answer is: no.

Mr. McIlraith: On a new point altogether, the definition in the Pipe Lines Act is quite different with respect to oil and gas. It is quite broad. The new definition of hydrocarbon reads:

> "Hydrocarbon" means any chemical compound composed exclusively of carbon and hydrogen.

The point I am making deals with the use of this word "exclusively". It seems to me that that is indeed a very narrow limitation to put on crude oil and oil in certain other states of processing. I wonder if the minister could give us an explanation?

Mr. Churchill: I am just wondering whether the word "substantially" might have been clearer than the word "exclusively" because this is not intended to rule out impurities.

Mr. McIlraith: I am wondering about the definition. Unless there is some explanation it seems to me that it rules out a great many of the crude oils in Canada and I am sure that was not the intention. For instance, there are some areas where there is a very high sulphur content in the chemical compound. This would rule it out if there were any sulphur content at all. Would the minister agree to let the clause stand until we come to the end and then deal with it again? I believe it is something that should be looked at again.

Mr. Churchill: Thank you. We shall have a look at it and see if it cannot be modified.

The Acting Chairman (Mr. MacEwan): Does the committee agree that subclause (f) stand?

Some hon. Members: Agreed.

Subclause stands.

On subclause (g)—*Import.*

Mr. Dumas: The first part of this subclause seems to be the same as found in the definition in the Exportation of Power and Fluids and Importation of the Gas Act but part 2 of the subclause seems to be entirely new. It reads:

(ii) with reference to oil, to bring oil into Canada through pipe lines, by railway tank car, by tank truck or by tanker;

This does not appear to cover the question of oil transported by aircraft, by barges or in oil drums. The amount transported by aircraft I should think would be very small but transportation by barges or in oil drums may be considerable. Would it be possible to make a small amendment to include the words "by any other means"?

Mr. McIlraith: That is too wide, is it not? That would include manufactured products transported by truck.

Mr. Churchill: The hon. member has pointed out the difficulty one experiences in trying to spell out these questions. Another suggestion would be to amend part 2 of the subclause to read:

(ii) with reference to oil, to bring oil into Canada—

Let it stop there. That inferentially would include "by any other means", would it not?

Mr. Dumas: Perhaps the minister would agree to having the clause stand for the time being. I appreciate the difficulty involved in these matters. "By any other means," may be too wide.

Mr. McIlraith: The minister cannot use that language because he then would be regulating the control of all penetrating oils in cans, lighter fluids and other things with which I am sure it was not the intention to deal in drafting the definition of "import".

My objection to the subject of the control of the import of oil still stands but I think it could be more appropriately dealt with under the clause dealing with imports rather than under the definition clause. I do not want this committee to conclude that in letting the definition of the word "imports" go by I am in any way weakening the position I have taken on the subject of the control being asked for by the minister over the importation of oil without the minister having given us an explanation as to why there should be control of the import of oil at this time. I want to make that perfectly clear.

Mr. Dumas: Mr. Chairman, we would like to reserve our right to discuss any question relating to oil under clause 87 when it is reached, even if the present subclause under discussion is passed later.

Mr. Churchill: That is quite all right. I appreciate the interest of hon. members in this definition clause because it is important to get it right. On the other hand with regard to these interpretation clauses we will be dependent upon experience as the board operates over the year. There may be other changes that will come forward not only now but in subsequent months. Unless the hon. member for Villeneuve wants to press the point, perhaps we could pass subclause (g) at this stage.

Mr. McIlraith: We will have to let the clause stand until eight o'clock in any event.

The Acting Chairman (Mr. MacEwan): Does the committee consent to allow subclause (g) to stand?

Some hon. Members: Agreed.

Subclause stands.

Subclauses (h) to (k) inclusive agreed to.

On subject subclause (l)—*"Oil."*

Mr. McIlraith: Perhaps we could let this stand for the time being. I think it could carry depending upon what is done with (m). Could it stand over without discussion for the moment?

The Acting Chairman (Mr. MacEwan): Does the committee agree to let subclause (l) stand?

Some hon. Members: Agreed.

Subclause stands.

National Energy Board

On subclause (m)—*"Pipe line."*

Mr. McIlraith: At this point may I ask for a fuller explanation for the reason for dropping the distinction between "pipe line" and "company pipe line"?

Mr. Churchill: It may be that we will get the law officer here who drafted the bill to explain this to the satisfaction of hon. members opposite. When we were going over this earlier we had not anticipated this particular problem. Although it may appear clear to us nevertheless we could perhaps have a fuller explanation when the law officer is present after eight o'clock.

Mr. McIlraith: There are one or two possible explanations I can think of but I do not believe there is any point in putting them on the record. There was a clear distinction under the Pipe Lines Act and now there is an elimination of this distinction. From a careful reading of the bill I am not fully clear as to the government's reason for eliminating that distinction. It is clear why the distinction existed originally but it is not clear as to why it was eliminated. Perhaps we could let it stand.

The Acting Chairman (Mr. MacEwan): Does the committee agree to stand this subclause?

Some hon. Members: Agreed.

Subclause stands.

Subclauses (n) and (o) agreed to.

On subclause (p)—*Secretary.*

Mr. McIlraith: I notice it is intended to appoint the secretary by the governor in council rather than through the commission. Is there any reason for that? Frequently, the members of the board are appointed by the governor in council but I notice in this case the secretary is appointed by the governor in council.

Mr. Churchill: I wonder whether that question could be held over until we reach clause 8 (1), which deals with the appointment of the secretary, rather than discuss it on the interpretation section?

Subclause agreed to.

On subclause (q)—*Special Act.*

Mr. Drysdale: The interpretation section of the Pipe Lines Act states:

> In this act and in any special act—

And then it proceeds to incorporate those definitions into the special act. I am wondering by what means those definitions are incorporated in the special act?

Mr. Churchill: I do not recognize a difference from the earlier act which reads:

> "Special act" means an act of the parliament of Canada that authorizes a person named in the act to construct or operate pipe lines—

And so on.

Mr. Drysdale: It states: "In this act", then it proceeds to go on with various definitions. In the Pipe Lines Act we find this:

> In this act and in any special act,

The following definitions shall have this meaning. Clause 80 of the bill we are discussing defines "special act", and it states that the special act shall be taken to override the provisions of this legislation. What I was wondering was whether any provision had been made to have those definitions the same as the ones used in the special act; in other words, the same words have the same meaning as in the special act. As I read it, there is no provision for the special act.

Mr. Churchill: In order to get a satisfactory answer for my hon. friend I think we shall have to get the draftsmen here to explain that because again there is some special meaning that has to be drawn from this clause.

Mr. Drysdale: The reason I raise it, Mr. Chairman, is that in the Pipe Lines Act they went so far as to say in section 2:

> Unless it is otherwise provided, words and phrases in this act or in a special act have the same meaning as in the Railway Act.

Apparently there is nothing to cover the special words used in the special act.

Mr. Churchill: What is intended here is an addition of what my hon. friend was asking for, following subclause (q), an addition which would repeat subsection 2 of the interpretation section of the oil and gas Pipe Lines Act. It would not alter anything that is now written in lines 24 to 30; it would be an addition to those. We shall be reverting to the interpretation section after the supper adjournment and I shall have an answer for the hon. member then.

The Acting Chairman (Mr. MacEwan): Shall subclause (q) carry?

Some hon. Members: Stand.

Subclause (q) stands.

On subclause (r)—*Toll.*

Mr. Dumas: Mr. Chairman, is there any change in this new definition? Is it the same as the definition in the Pipe Lines Act?

Mr. Churchill: The change is hydrocarbons for oil and gas.

Mr. McIlraith: There is another change.

Mr. Dumas: I thought the word "transportation" appeared before. It has been deleted and replaced.

Mr. Churchill: Yes, and the word "rate" appears. It reads: "Toll, rate". In the old act the word "transportation" appeared. It has been deleted and replaced by the word "transmission".

Mr. McIlraith: Mr. Chairman, in view of the practice in this industry of referring to the transmission of gas and the transportation of oil and the provision existing in many of the regulations on the subject and in some of the judgments of the board of transport commissioners having to do with the transportation of oil through pipe lines, I wonder why this change was made in the use of the word transportation and its replacement by the word "transmission" as applied to oil?

Mr. Churchill: It was considered that it was a more exact use of the English language to use the word "transmission" when the reference to toll is to a pipe line and the oil is transmitted through a pipe line rather than transported.

Mr. McIlraith: I would point out to the minister—I hope he will not misunderstand me—that I just question the latter part of his explanation. I think he will find in many of the reasons for judgments in the pipe line cases that the reference is to the transportation of oil. The word "transmission" was always used in putting gas through a pipe line, the transmission of gas through pipe lines, but transportation of oil by pipe line is the phrase that was used. The word "transportation" was used in that connotation. By the complete elimination of the word "transportation" this change is going to mean that those judgments, when read by persons who are not familiar with the history of the change, will have a different meaning altogether. This is the possible consequence of it.

Mr. Churchill: If any misunderstanding should arise in that connection I see no objection to putting the word "transportation" back into the definition. The word "transmission" could be there as well.

Mr. McIlraith: I wonder whether the minister would take it up with his own departmental law officers? There is something there that should be looked at.

Mr. Churchill: All right.

Subclause (r) stands.

Mr. McIlraith: Before we leave this subclause I want to ask the minister why there is no definition of "energy" here? Perhaps I should point out what the weakness is in not having a definition of energy in clause 2, in relation to later portions of the bill which charge the board with certain duties to study and keep under review the subject of energy. Energy covers a wide field including such things as the burning of wood, the burning of alcohol and the burning of waste chemicals. You can go far afield. Sawmills are run by the burning of sawdust. The sources of energy are very wide indeed in the industrial life of Canada. Later in the bill the board is charged with very heavy responsibilities and duties concerning the subject of energy but the word "energy" has not been defined. I respectfully suggest to the minister that this can lead into all sorts of unforseen difficulties.

An hon. Member: Six o'clock.

The Acting Chairman (Mr. MacEwan): Shall clause 3 carry?

Mr. Dumas: No, Mr. Chairman, we are on clause 2.

Mr. McIlraith: Is the minister going to deal with the point I raised about a definition of energy?

Mr. Churchill: As a matter of fact, I was looking at the clock opposite me which shows it is after six o'clock and I thought the reply might well be given after the supper hour.

Mr. Drysdale: Before we adjourn, I wonder whether the minister would consider over the supper hour if there is any particular reason for omitting the definition of "lands" which was included in the Pipe Lines Act?

Mr. McIlraith: That is the next point I was coming to.

The Acting Chairman (Mr. MacEwan): Shall the clause carry?

Some hon. Members: Six o'clock.

The Acting Chairman (Mr. MacEwan): Order. It is five minutes to six according to the Clerk's watch. Shall clause 3 carry?

Mr. McIlraith: No. We are on clause 2. We are still discussing clause 2.

Mr. Dumas: We did not carry clause 2.

Mr. Green: Mr. Chairman, two of the three clocks show that it is after six o'clock so we have a majority.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Acting Chairman (Mr. MacEwan): The house in committee of the whole on Bill No.

C-49, an act to provide for the establishment of a national energy board. Is it the wish of the committee to revert to subclause (f) of clause 2?

Some hon. Members: Agreed.

On subclause (f)—*"Hydrocarbon"*.

Mr. Churchill: There was a question concerning this subclause as to the need for the expression "exclusively" and whether or not "substantially" might be substituted therefor. However, on consultation with the people who have knowledge of chemical compound, I am informed that "substantially" would change the meaning very much and that you might have a chemical compound composed substantially of carbon and hydrogen and which might have sugar and alcohol as part of it. The word "exclusively" makes sure that it shall be of carbon and hydrogen and that the impurities which might occur with the hydrocarbon are not part chemically of the compound. Consequently the word "exclusively" is required in that subsection.

Subclause agreed to.

On subclause (g)—*"Import"*.

Mr. Churchill: With reference to subclause (g), there was a suggestion that in the second part of it, where we speak of pipe lines, railway tank car, tank truck or tanker, there might be other means of bringing oil into Canada. The example that was given was that of drums of oil transported by barge. It does not seem to be essential that that should be included because it is an uneconomic way of transporting oil nowadays.

Mr. Dumas: Do I understand the minister to say that there is no objection, that oil can be transported by barges?

Mr. Churchill: We thought it would not be necessary to place a control on oil that comes in in drums on these barges.

Mr. Dumas: For what reason?

Mr. Churchill: It is an unusual method of bringing it in and an uneconomical method when pipe lines are available.

Mr. Robichaud: In other words, if that were done it would not come under this regulation?

Mr. Churchill: That is right.

Mr. McIlraith: Is that as to oil brought in by barge in bulk form? A barge is not a tanker. They are in use now and of course are not included in the definition.

The Acting Chairman (Mr. MacEwan): Shall subclause (g) carry?

[The Acting Chairman (Mr. MacEwan).]

Mr. McIlraith: Before it carries I should like to know whether that is the minister's answer.

Mr. Churchill: Yes; not to bring it under control. We do not see the necessity for it.

Mr. McIlraith: I am somewhat curious. What is the reason for that? If you put it into a tanker with power in it to drive the tanker, it is under control. If you put it in a barge behind separate motor power, it is not under control. If the minister is satisfied with it, I am.

Subclause agreed to.

On subclause (l)—*"Oil"*.

Mr. Robichaud: The minister was supposed to give us an explanation.

Mr. Churchill: Subclause (l) was dependent on the explanation with regard to subclause (f) and I have dealt with that subclause.

Subclause agreed to.

On subclause (m)—*"Pipe Line"*.

Mr. Churchill: There was some discussion here with regard to dropping the expression "company pipe line" and using for that expression just the phrase "pipe line". In the oil and gas Pipe Lines Act the words "company pipe line" were used. We find that "pipe line" is sufficient. Referring to the pipe lines connecting a province with any other or extending beyond the limits of the province where it has been necessary to use the other expression "line" as you might find in section 76 (1), subclause (b), we simply use the expression "line for the transmission of hydrocarbons or power". It is merely a simplification and the use of fewer words to give the same meaning.

Mr. McIlraith: In the Pipe Lines Act there was a real distinction between the company pipe lines and pipe lines other than company pipe lines. It was defined in that way for a purpose in that act. Is the minister indicating that the new legislation no longer requires a distinction? Is that his point?

Mr. Churchill: Yes. That is the intention.

Subclause agreed to.

On subclause (q)—*"Special Act"*.

Mr. Drysdale: I believe the minister had an explanation of this section.

Mr. Churchill: The question was raised here as to the addition of subsection 2 of section 2 of the Pipe Lines Act which reads as follows:

(2) Unless it is otherwise provided, words and phrases in this act or in a special act have the same meaning as in the Railway Act.

In the Pipe Lines Act there may have been a need to refer back to the Railway Act for

the meaning of the various words. In this act we have defined the words we use. There is no need to refer back to the Railway Act for any of the meanings. The definitions are here. That is why that subsection 2 was not incorporated in this act.

Mr. Drysdale: Mr. Chairman, I think the minister missed the point I was trying to get at. Section 2 of the Pipe Lines Act contains the words "in this act or in a special act" and it goes on to provide the various definitions whereas under the present act section 80 provides that a special act shall over-ride all the provisions in this act, which would also have the effect of over-riding the definition section. The thing that worries me as a lawyer is this. I do not want to be obliged to litigate over definitions when there is no provision for them under the special act.

Mr. Churchill: I was perhaps referring to another section.

Mr. Drysdale: That is supplementary to section 2.

Mr. Churchill: If my hon. friend will refer to section 80 which deals with the construing of special acts he will find that we have dealt with that matter quite separately.

The Acting Chairman (Mr. MacEwan): Shall subclause (q) carry?

Mr. Martin (Essex East): No. That is a good point.

Mr. Drysdale: I do not think we have had an explanation, Mr. Chairman. I am not trying to labour the point. But if the bill is accurate, as it is, I feel there should be a logical explanation.

Mr. Martin (Essex East): That is right.

Mr. Winch: May I point out to the minister that section 80 does not cover what he has referred to.

Mr. Drysdale: In my opinion, section 80 has the effect of over-riding the whole act. In other words, the special act completely over-rides this general act on energy. It therefore means that any of the words which are used in this subclause (q) cannot be interpreted in the special act in the same terms as they are interpreted under the energy act. I feel that is fundamental, and if it is not corrected we are running into difficulties because you have no interpretation for these terms under the special act.

Mr. Winch: How do you reconcile the two?

Mr. Churchill: There is a difference of opinion here. We were not reading it that way. We were reading clause 80, subclause (a)—

—this act shall be construed as incorporate with a special act—

Which I thought covered that point, but my hon. friend does not see it that way.

Mr. Drysdale: As I understand it, clause 80 is in part V dealing with oil pipe lines.

Mr. Churchill: That is right.

Mr. Drysdale: This general definition section applies to the entire act, and clause 80 overrides the whole interpretation section. Therefore you have nothing to interpret the words used in a special act.

Mr. Martin (Essex East): The hon. member does not think that "special act" in (q) would refer to the act covered by the implications in clause 80; is that his point?

Mr. Drysdale: Yes. My contention on that basis is that under the Pipe Lines Act it refers to "in this act and in any special act", and it then goes on to define "special act" in subsection (h) in exactly the same way as you are defining it in subclause (q). I am not trying to cause any unnecessary difficulties, but I do not want to see the legislation enacted and then have to come back again.

Mr. McIlraith: It should be sent to a standing committee.

Mr. Churchill: I would welcome further argument with regard to this point. Perhaps I am not following my hon. friend, but I do not quite see the difficulty.

Mr. Drysdale: Mr. Chairman, perhaps I could explain it this way. Under the Pipe Lines Act, section 2 (l) starts off, "In this act and in any special act". Then it goes on to set out the various interpretation sections, including the special act definition which is used in this particular bill. Then as I understand it, if you look at the legislation, part V is practically taking out the Pipe Lines Act and putting it into the energy bill. Clause 80 of the energy bill says that a special act shall in effect supersede all the legislation contained in this section, and there is no definition in part V. The only definitions are at the beginning of this particular bill. Therefore on my interpretation there is no definition under the special act legislation or under the special act.

Mr. Churchill: This is quite a neat point. The way we were reading the bill was that the interpretation clause of the bill starts off with, "In this act", and that is followed in clause 80, and our conclusion was that the interpretation clause here in the bill would apply throughout.

Mr. Drysdale: Clause 80 (b) says:

—where the provisions of this part and a special act relate to the same subject matter, the provisions of the special act shall, in so far as is necessary to give effect to the special act, be taken to override the provisions of this act.

But there is nothing to cover the definitions of these particular clauses being incorporated into the special act. In other words, there must have been some reason for putting it in the pipeline legislation stating, "In this act and in any special act".

Mr. Winch: It does not make sense as it is now.

Mr. Churchill: Does the hon. member want to hold over (q) for further consideration, or is he suggesting some additional words being incorporated?

Mr. Drysdale: Mr. Chairman, I thought perhaps the words used in the pipe line legislation would cover it, namely, "In this act and in any special act".

Mr. Roberge: The pipe line legislation was good and quite clear.

Mr. Churchill: If that satisfies my hon. friend, we have no objection to incorporating clause 2, following the word "act", "and in any special act", which are the words in the present Pipe Lines Act.

Mr. Drysdale: Mr. Chairman, I am not trying to force an interpretation upon the committee, and if it is adequately covered and these definitions can apply to special act provisions, I will be satisfied. But to date I have not been satisfied, and if it should be considered further I am content with that.

Mr. Churchill: I am prepared to let it stand and will give further consideration to my hon. friend's suggestion.

The Acting Chairman (Mr. MacEwan): Is the committee agreed that subclause (q) will stand?

Some hon. Members: Agreed.

Subclause stands.

On subclause (r)—*Toll.*

Mr. McIlraith: I think the minister had some comment to make on this subclause.

Mr. Churchill: The question arose whether the word "transportation" should have been retained rather than the word "transmission" substituted. The opinion of the law officers is that "transmission" is satisfactory and somewhat more exact.

Mr. McIlraith: I would like to point out that over the recess I was able to check some copies of special acts I have, some 31 of them, and in all cases I checked the language used was "transportation of oil and transmission of gas" in relation to this subject. In the judgments or orders of the board of transport commissioners—I have some ten of them which I had an opportunity of checking—they referred to the transportation of oil. My recollection is that in all the years I have been dealing with this subject the reference has always been to the transportation of oil by pipe lines and the transmission of gas by pipe lines. That being the case, and bearing in mind that all the judgments or orders of the board of transport commissioners and other memoranda they put out on this subject seemed to use that language, I am wondering about the wisdom of changing it unless there is some good reason. I am not prepared to defend the language as a matter of purity of English, but it is certainly the only language used heretofore in this context, namely of transporting oil through pipe lines.

Mr. Churchill: I think one of the reasons for the change, in addition to having a more exact expression, has been that we referred to the transmission of hydrocarbons, and by definition hydrocarbons include oil and gas. Thus we would be in difficulty with regard to the word "transportation", and the hon. gentleman would be arguing the opposite way.

Mr. McIlraith: My point is that they should both be in, otherwise these judgments in these oil cases become confusing. If the minister would look at the judgment of the board of transport commissioners in the oil cases he would find that in all cases reference is made to the transportation of oil and in the case of gas the word "transmission" is used. It seems to me they should both be in.

Mr. Churchill: I think it would be an easy matter to put the word "transportation" back in, and then we would have them both.

The Acting Chairman (Mr. MacEwan): Is it agreeable to the committee that the subclause read "shipment, transportation and transmission", etc.

Mr. Green: The suggestion of the minister was that it should read: "shipment, transportation, transmission" and so forth.

The Acting Chairman (Mr. MacEwan): Is that proposal agreeable to the committee?

Amendment agreed to.

Subclause as amended agreed to.

Mr. McIlraith: Before we turn to clause 3, there were two other matters outstanding with regard to clause 2. The first had to do with the omission of any definition of the word "energy", and the omission is significant

in the light of the use of the word "energy" in the latter part of the bill.

Mr. Churchill: That is right. I was asked why energy is not defined. It is used in the bill only in clause 22 in the part dealing with the advisory functions of the board. It was thought wise not to limit it by definition. There can be no misunderstanding of the subjects with which the board will be dealing as it continues its study and review of matters pertaining to energy and sources of energy. Sources of energy not now in use may be discovered or developed as time goes on, and there seems to be no necessity therefore to define and, by that means, to limit the meaning of "energy".

Mr. McIlraith: On that point, I draw the attention of the minister to the fact that clause 22 is mandatory. It charges the board with the responsibility of studying and keeping under review matters concerning energy and sources of energy in Canada. There are a great many sources of energy in Canada which I am sure it is not the government's intention that the board should be obliged to study and keep under review. That is the difficulty into which the minister is heading by omitting to define the term "energy".

Mr. Churchill: I think that although the board is expected to study these matters and keep them under review it will not in its wisdom devote time and effort to unproductive subjects. I think we can trust the board to relate its work to what is generally understood by the words "sources of energy" and "energy".

Mr. McIlraith: The point I am making is that the board has no opportunity to exercise its wisdom in this respect. The legislation charges it with the responsibility to study and keep under review matters relating to energy and sources of energy. The board has no discretion to exclude certain sources of energy from its considerations. It has no authority for excluding them. That is the consequence of proceeding without a definition of the word "energy". I think it is reasonably clear from the course of this debate so far that the minister and the government have in mind that these studies shall pertain to certain well known sources of energy—oil, gas, coal, atomic energy and so on.

Mr. Churchill: What was in our minds was that the regulatory functions of the board would relate to electricity, gas and oil. But the study and review would relate to energy and sources of energy, and the board could range as widely afield as it wished, the purpose being that it should inform itself with reference to these matters and be in a position to advise the government. We did not wish to place any restrictions on the board in this connection and we leave it to the judgment of the board as to the intensity of their study and the extent of their review in any particular direction.

Mr. McIlraith: My point is that the board is not left with any discretion in the matter. Following the minister's argument, either clause 22 must be changed or there must be a definition of "energy". The board cannot keep under review only those sources of energy which it thinks best deserve study. The hon. gentleman must either define the word "energy" or adopt the recommendation of the Borden commission relating to clause 22. He cannot have it both ways.

Mr. Churchill: I do not see the matter in quite the same light as the hon. gentleman. There is an opportunity for the board to use its discretion. Part (2) of clause 22 states:

> The board shall, at the request of the minister, prepare studies and reports on any matter relating to energy or sources of energy.

These would be matters to which they had already given study and which they had had under review, but more detail might be required by the government.

Mr. McIlraith: Paragraph (2) of clause 22 is discretionary, and the discretion lies with the minister. But paragraph (1) of clause 22 is mandatory and requires the board to include all energy and all sources of energy in its studies.

Mr. Churchill: Perhaps we might take the example of solar energy which has been mentioned during the debate. Solar energy has not yet advanced through the stage of experimentation to the point where it is competitive with other fuel sources. The board will take cognizance of what is being done in relation to the harnessing of solar energy, but would not need to spend too much time on it at this stage. It will keep itself informed of what is happening and advise the government accordingly. Surely there is room here for the board to decide, in its wisdom, which subjects should receive long and detailed study, and which subjects should be given more limited consideration.

Mr. Pearson: I think this is a matter of some importance and it may well be that if it is not dealt with now in this legislation it will cause confusion and difficulty later. Because we are not defining "energy", and because we are making it mandatory in a clause of this bill that the board shall keep

under review all sources of energy we may leave the board in some doubt as to the extent of its obligation.

Practically everything is a source of energy, but surely the board is not obliged to keep all the various sources of energy under review. Someone over here has just remarked that cod liver oil is a source of energy, and so it is, but that is obviously not something which is in the mind of the hon. gentleman as a subject for study by the board. I think it is desirable to clear this matter up so that there may be no question of confusion.

Mr. Roberge: Mr. Chairman, I wish to direct a question to the Minister of Trade and Commerce. The terms of reference of the Borden commission contained in order in council No. 1386 at page 90 of the report of the commission state, in part, as follows:

> That, in as much as Canada has within its boundaries large sources of energy in the form of gas, oil, coal, water and uranium, the increasing need of energy for the growing industrial requirements of Canada renders it of the greatest importance to assure the most effective use of those resources in the public interest;

Whether or not the government sees fit to accept or implement the recommendations of the commission, surely that reference in the terms under which the commission was set up makes it imperative that the word "energy" be defined in this bill. Would the minister not agree with that?

Mr. Churchill: Mr. Chairman, who is to determine what other sources of energy may come into use in the future and which may have the greatest importance? That is why we feel this should be left broad to allow the board through its technical branch and in its own wisdom to decide what sources of energy should be kept under intensive study.

In addition to that reference is made to the board studying and keeping under review questions of this kind. The board would maintain what is sometimes called a rolling inventory of the sources of energy in Canada so we may look far ahead and see whether the emphasis should be placed on one source of energy or another at varying times.

Mr. McIlraith: Dealing with the minister's remarks, who is to say the sources of energy that are to be affected? Parliament is saying now that the board shall do a certain thing. Parliament is making it mandatory that the board shall do certain things; in effect, keep under study and review sources of energy in Canada. That is what we are asking to be defined. And then, the minister has a discretion under subclause 2 of clause 22. That clause, by its nature, is discretionary in the minister so that if new sources of energy are brought into being in the future the minister has the discretion under that clause to have the board study them and keep them under review. That argument does not apply to subclause 1 which is mandatory and absolute in form.

Mr. Denis: The Tory party is a great source of energy.

Mr. Churchill: An inexhaustible source of energy.

Mr. Drysdale: Mr. Chairman, before the dinner recess I asked the minister if there was any reason for omitting the definition of "lands" which was in the Pipe Lines Act and is not included in this bill. Could the minister comment at this time?

Mr. Churchill: Mr. Chairman, I looked at that over the supper adjournment. It seemed not necessary to include it. It does not appear to be needed in this bill. If you read clauses 66 and 67 where it speaks of lands vested in Her Majesty and lands in an Indian reserve, you would see that the definition in the Pipe Lines Act would obviously be unnecessary and would not apply.

Clause stands.

On clause 3—*Board established.*

Mr. Pearson: Mr. Chairman, this is the clause which deals with the establishment of the board. I was going to ask the minister if in the consideration that has been given to this legislation consideration was given to the establishment not of a board but of a special department of the government under a separate minister to deal with energy questions. I know a great deal could be said for or against this possibility but as the minister knows in some governments there is such a department. In the government of Ontario there is a department of energy under a separate ministry and the government of the United Kingdom has what I believe is called a ministry of fuel and power.

I was wondering if the minister and the government had considered that solution to the problem of governmental control of energy questions in their considerations of this matter.

Mr. Churchill: Mr. Chairman, some attention was paid to that matter but we thought that everything that was desired from the standpoints of the national interest, efficient operation and the responsibilities of the government would be served by the establishment of a national energy board rather than through a government department.

Mr. Robichaud: Mr. Chairman, subclause (1) of clause 3 reads as follows:

There shall be a board, to be called the national energy board, consisting of five members to be appointed by the governor in council.

It might also be pointed out that recommendation No. 22 of the Borden commission suggests that the board should consist of not less than three and not more than five members. I think this committee has a right to know why five members were selected. After all, the scope and powers of the board being constituted under Bill No. C-49 are rather limited. We also remember that this government pledged itself to avoid waste and extravagance.

Furthermore, clause 13 of this bill provides that the board may delegate to one or more of its members, either jointly or severally, all or any of the powers, functions and duties of the board under this bill with certain exceptions that are specified. It will cover more than 75 of the 101 clauses of this bill. I therefore move:

That subsection (1) of section 3 of Bill C-49 be replaced by the following:

"3(1) There shall be a board, to be called the national energy board, consisting of three members to be appointed by the governor in council."

Mr. Drysdale: What are you going to do about clause 6 where three is specified as a quorum?

Mr. Pearson: All other consequential changes would have to be made.

Mr. Churchill: Recommendation No. 22 of the Borden commission has to be considered in relation to other recommendations of that report. They were thinking in terms of continuing the board of transport commissioners and setting up in addition to that an energy board. That is why the suggestion was made of three and not more than five.

Our conclusion was that it would be wiser to have an energy board and to transfer to it the functions now performed by the board of transport commissioners in this regard and that a membership of five would be suitable for that purpose.

Concerning the other statement the hon. member has made, he has misinterpreted the clause to which he referred. It will be seen when we come to it that it is subject to exceptions. The delegation to which the hon. member referred relates only to minor functions of the board and the clauses that are excluded from that contain the major functions that the board performs.

Certainly of the 101 clauses there are a great many under which a single member might be asked to act because they are matters where the board is not involved in an immediate decision but are exploratory.

Mr. Martin (Essex East): Mr. Chairman, I wonder whether the committee will not agree that, notwithstanding his good intentions, the minister has really not dealt with the suggestion on its merits, that instead of a board of five there should be a board of three in accordance with the recommendation made by the Borden commission.

The Prime Minister told us, I think the day before yesterday, that since becoming Prime Minister he had been surprised to find out how difficult it was to persuade good and competent people to leave their private occupations and take on responsibilities of this kind. If there was much merit in the observation of the Prime Minister, that argument ought to be rather convincing in the context of the situation that is now before the committee. In addition to this, the minister has the example of the unemployment insurance commission of three members, a body that administers a very large fund and has very many heavy administrative responsibilities. I think the board of broadcast governors is limited to three but there is a large executive committee. I may be wrong in this one but my impression is that there are three consisting of Dr. Stewart and two others and they are assisted by a large executive committee. It would seem to me that, in addition to the reasons given by the hon. member for Gloucester, there is the third argument of efficiency and of preventing unnecessary expenditure, the great purpose to which this government was dedicated certainly in the days of elections and presumably in the days of actual responsibility not so much so.

I suggest to the minister that this is a good suggestion and that in the absence of a satisfactory explanation as to why it should not be accepted the minister should accept it. He has the opportunity at the moment of explaining, in addition to the reasons he has already given, further reasons, but unless he can establish clearly the necessity of having five members it seems to me it is not unreasonable to accept this suggestion. The consequential changes that will be required in the remaining subclauses of the clause can be dealt with simply by editorial revisions. They do not involve any fundamental obstacle to the suggestion as made that we ought to follow the pattern with regard to bodies of this sort that the federal government has established. Commissions of three have worked well. They provide for adequate representation of occupational interests, and I strongly suggest that the minister will find it not as difficult to appoint three as five if we are to take seriously the observations made

by the Prime Minister. In any event, the minister owes us a much more complete reply than that which he has given.

Mr. Churchill: I am very happy to add to the explanation that I gave earlier. In the first place, let me point out and repeat that the Borden commission did not limit the number to three. It suggested three and not more than five. Second, the energy board will deal with one of the greatest industrial developments in Canada. The oil and gas industry is in its infancy and the whole development of energy and sources of energy in Canada is on the threshold of great advances. This board will be heavily engaged in dealing with one of the most vital parts of the Canadian economy. To limit the board to three members might incapacitate it from performing its function fully because there is always the chance of a member being away or ill. There is also the necessity for this board to do a certain amount of travelling throughout Canada and to hold hearings in various parts of the country. Furthermore, my hon. friend talks about having a board of three. He overlooks the fact that the board of transport commissioners is a board of six members. I do not recall that during his term in office he suggested that it be reduced for the purpose of economy.

Mr. Martin (Essex East): There is no comparison.

Mr. Churchill: I do not recall his suggesting that it be reduced to three. We think this energy board will be as fully and actively employed as the board of transport commissioners. Consequently, the figure of five seems suitable in the circumstances.

There are other reasons which might be advanced to persuade my hon. friend of the weakness of his argument. I am glad he recognizes that we are interested in economical operations, but there can sometimes be false economy when you do not provide the proper number of people to carry out a job of major importance. From the experience of our friends across the border we know the difficulties they have had in an industry which has grown by leaps and bounds in that country, and which will grow by leaps and bounds in Canada. The work of the energy board will become increasingly onerous as the years go by.

Mr. McIlraith: Mr. Chairman, I think we all agree as to the importance of the oil and gas industry in the economy of Canada but the point is this: How do we get the most efficient board in relation to the duties it will have to perform? That is the question before the committee at the moment. I point out to the minister that in his reference to the board of transport commissioners he did not really deal with the point at all. That board, consisting of six members, has responsibility under some 21 acts of parliament. If the minister would read the memorandum put out by the board of transport commissioners for Canada, a review of its constitution, jurisdiction and practice, he would see that that board has had to deal with the jurisdiction over railway applications, the very large question of freight rates in this country, a large question, indeed, as most western and eastern members will agree. Then, it has to deal with the lake shipping under the Transport Act; it has to deal with the tolls of telephone companies; it has certain jurisdiction under that legislation. It has had to deal with pipe line applications. In other words, it has covered all those fields I have mentioned in addition to certain subsidiary ones.

The legislation before us deals with certain pipe line companies. It was made clear before six o'clock that it does not deal with all of them, which is something a little less than the pipe line cases the board of transport commissioners was dealing with. But if we assume it is the same, that bit of the board of transport commissioners work required six full-time members. I suggest to the minister that if he wants an efficient board he wants a board that will be fully occupied. I suggest to him that he will more closely approximate that if he has three members rather than five.

Mr. McPhillips: We will not appoint an undertaker as you did to the board of transport commissioners.

Mr. Pearson: A new source of energy.

Mr. McIlraith: I am not quite clear as to what the interjection means; I admit my inability fully to understand it but I will let it go by and deal with the point before the committee. It seems to me that by setting up a board that will merely be a proliferation of appointees you are not going to get the type of members for that board which we all hope you will get. It is an unnecessary waste and duplication and I think the wrong way of approaching the thing. Certainly if it is only going to have jurisdiction over a very small part of the duties now performed by the board of transport commissioners there is no reason for five members.

(Translation):

Mr. Roberge: Mr. Chairman, the clause now under consideration provides for the appointment of five members to the national energy board.

The board of transport commissioners is made up of six members who have to deal, among other things, with the matter of pipe lines.

In its report, the Borden commission recommended the appointment of three or five members.

Our Conservative friends, during their election campaigns, came out strongly against extravagance and waste.

It is now obvious, according to the bill under consideration, that for some years, this board that we are asked to establish will deal only with gas and oil, because, in the first place, the bill does not include a definition of the word "energy". Therefore the duties of the board will be restricted and I do not see why five members instead of three should be appointed. It might be that in a few years five members would be required but I suggest that, for the present time, three are enough.

(Text):

Mr. Harkness: Mr. Chairman, as one who comes from the province of Alberta I have a very considerable interest in the bill and I must say I have been somewhat disappointed at the picayune objections which members of the opposition are making, apparently with the object of delaying the passage of the bill.

Some hon. Members: Order.

Some hon. Members: No, no.

Mr. Habel: Making a better bill of it.

Mr. Harkness: I can well understand that because members of their party in the province of Alberta—

Some hon. Members: Order.

Mr. Roberge: On a point of order, sir, I do not think the Minister of Agriculture should impute motives to the members of the opposition with regard to the work they are doing in this chamber.

Mr. Harkness: I will not impute any motives. I will just state the facts as they appear to one sitting here listening to this debate.

Mr. Habel: You just came in.

Mr. Harkness: As I say, I can well understand their object in trying to delay the bill and the setting up of the board so that it can begin to operate and deal with the various gas applications in the province of Alberta.

Mr. Roberge: Is there an election there?

Mr. McIlraith: Mr. Chairman, I think there should be an opportunity to reply to the Minister of Agriculture.

Mr. Harkness: Mr. Chairman, I have the floor.

Mr. Pearson: Speak on the bill then.

Mr. Harkness: I was about to suggest to hon. members of the opposition that instead of quarrelling over whether there should be three or five members—

Mr. Crestohl: On a point of order, Mr. Chairman, can the minister tell us what clause he is addressing himself to? We are dealing with a specific clause and he is not speaking on that clause.

Mr. Harkness: If the hon. member had been paying attention to what I was saying he would know that I have just finished saying that instead of members of the opposition addressing themselves to the question of whether there should be three or five members—incidentally, the hon. member who has just spoken did not realize the number was five. He said six.

Some hon. Members: No.

Mr. Harkness: Instead of attempting to delay the passage of the bill by, as I said before, objections which really do not amount to very much I think they would be much better advised to co-operate with the members of the government in getting the bill passed so that quite urgent gas export applications may be dealt with. However, as I was saying when I was interrupted I am not a bit surprised at this gambit because in the province of Alberta members of the Liberal party have been trying their utmost—

Some hon. Members: Order.

Mr. Harkness: —for several years to prevent the export of gas from that province.

The Acting Chairman (Mr. MacEwan): I would ask the Minister of Agriculture to discuss clause 3 of Bill No. C-49.

Mr. Pearson: Mr. Chairman, we are grateful to the Minister of Agriculture for his advice but it has nothing to do with the bill though it may have something to do with the Alberta election. If he had been here while this discussion was going on he would have realized—

Mr. Harkness: I was here.

Mr. Pearson: —that the suggestions we have made, which the Minister of Trade and Commerce, who is responsible for the bill, has received in good faith, are suggestions which we had hoped would make the bill more effective to do the job it is intended to do without delaying unduly the passage of the bill. The provision of the bill we are on now deals with the number of members that should be appointed to the board. We have suggested that, without interfering in any way with the effectiveness of the board, we might reduce the number to three and save the taxpayers of this country $32,000 a year in salaries. That, of course, makes no impact

on the mind of the Minister of Agriculture, but it is of some importance provided that a board of three would do the job as well as a board of five. In that regard we suggest that no argument has been advanced yet which indicates the superiority of a board of five over a board of three. If no argument of that kind can be advanced then naturally a smaller board should be just as effective and more economical.

The minister has attempted to make a case that five members are required for this particular board. He made the analogy of the board of transport commissioners but that has been very effectively dealt with by the hon. member for Ottawa West. That board deals with 21 separate pieces of legislation. The minister also mentioned the federal power commission of the United States. The federal power commission of the United States, which has jurisdiction over matters which are, I am sure the minister will agree, of even greater importance and scope than any similar board in Canada, if there were a similar board, manages to get along with five members. It has jurisdiction over matters in the United States which in this country are reserved for provincial governments.

If the federal power commission can get along with a board of five to deal with matters of far greater scope than those to come under the board provided for in this legislation, surely a board of three would be just as effective in doing the work as a board of five and would save a good many thousands of dollars a year. I am the more convinced of that, because the regulatory functions of a board of that kind, as anyone realizes who knows anything about the operations of administrative boards, can be performed as well by three men as by five, and in some cases perhaps better by three men.

The minister attempted to make the point that if there were a board of three members one member might be ill or away and what would you do then? But the minister himself has made provision for that contingency in subclause 6 of clause 3 which reads as follows:

> If any member of the board by reason of absence or other incapacity is unable at any time to perform the duties of his office, the governor in council may appoint a temporary substitute member upon such terms and conditions as the governor in council may prescribe.

That is covered. So far as the investigatory, research and reporting functions of the board are concerned, the minister must know, as anyone who has had the responsibility of government knows, that the actual work of investigation and research will be done in large part at least by the staff which will be accumulated by the board or by the staffs of all the other agencies of government which deal with this matter. He must know that the five members of the board, five very responsible members, hard to secure with the ability and experience, members who are going to be paid good salaries though perhaps not as much as they would get in civil life, are not going to do very much in the way of carrying on investigation and research and reporting. Therefore it seems to us, notwithstanding the Minister of Agriculture who has barged into the argument with an irrelevant political observation, that the work of the board will be just as effective and will be done more economically if we have three members instead of five.

Mr. Drysdale: What would the quorum be?

Mr. Pearson: Two.

Mr. Winch: Surely you would not put two Conservatives out of a job?

Mr. Roberge: The Minister of Agriculture said that I did not know what I was speaking about when I referred to six members.

Mr. Harkness: You referred to six members.

Mr. Roberge: I said that under the Railway Act the board of transport commissioners had six members but according to the bill before us the energy board is to have five members. We argue that there should be only three members on this board. I can repeat that in French.

The Acting Chairman (Mr. MacEwan): Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Robichaud) negatived: Yeas, 21; nays, 72.

The Acting Chairman (Mr. MacEwan): I declare the amendment lost. Shall clause 3 carry?

Mr. Dumas: No. Speaking to clause 3, may I say this. It seems strange that paragraph (5) of clause 3 does not preclude any member of the board from holding bonds, debentures, promissory notes and such documents or from selling or buying those bonds or debentures and many other items. Apparently they can be members of the board even if they hold debentures of an oil or gas company or if they hold bonds. I am therefore greatly surprised that this matter was not taken care of. I understand that the Railway Act provides that members of the board of transport commissioners may not own such bonds or debentures. I do not know why the minister

overlooks this matter. At this point I should like to move an amendment which reads as follows:

That subsection (5) of section 3 of bill C-49 be replaced by the following:

The clause could be numbered as it is, namely clause 3, paragraph 5, subparagraph (i) and it would read exactly the same as paragraph (5).

"3(5) (i) A person is not eligible to be appointed or to continue as a member of the board if he is not a Canadian citizen, or if, as owner, director, officer, partner or otherwise, he is engaged in the business of producing, selling, buying, transmitting, exporting, importing or otherwise dealing in hydrocarbons or power."

But there would be another subparagraph.

"(ii) No member shall directly or indirectly hold, purchase, take or become interested in any stock, share, bond, debenture or other security of any company subject to this act; and if any such stock, share, bond, debenture or other security or any part thereof or any interest therein comes to or vests in a member by will or succession for his own benefit, he shall, within three months thereafter, absolutely sell and dispose of the same or his interest therein."

I hope that the minister will not say that this is not an important one.

Mr. Harkness: It is exactly the same. It is another delaying tactic.

Mr. Robichaud: You are so accustomed to delaying your own estimates that you think everybody else is doing the same.

The Acting Chairman (Mr. McCleave): Order. Is the committee ready for the question?

Some hon. Members: Question.

Mr. Dumas: Will the minister comment?

Mr. Bourget: The minister should say something on the amendment. It is extremely important.

Mr. Churchill: I recognize the importance and also the length of the amendment which requires study. The way in which the bill is worded now is a standard wording to make sure that people who are eligible for positions of this nature are not concerned with some of these matters. The word "otherwise" introduced in line nine and again in line eleven is considered broadly to cover some of the things which have been written into the amendment which has been submitted to us. We felt that from this wording in subsection (5) it would be perfectly clear that no particular benefit would be resulting to a member of the board. In subsection (5) we say that a person is not eligible

—if as owner, shareholder, director, officer, partner or otherwise, he is engaged in the business of producing, selling, buying, transmitting, exporting, importing or otherwise dealing in hydrocarbons or power.

Looking at the Railway Act to which reference was made, I note that the definition we have here is in some respects wider than that in the Railway Act.

Mr. McIlraith: Mr. Chairman, notwithstanding the references of the Minister of Agriculture to these matters as picayune—

Mr. Harkness: You do not like them.

Mr. McIlraith: No. I think they reveal an incompetence that is shocking. I think if the minister is not familiar with the subject—

Mr. Harkness: They hit home too much for you. That is what you do not like.

Mr. McIlraith: If the minister has not any knowledge of the subject or has not any interest in it, I think he should permit the minister who is sponsoring the bill and is anxious to get on with it an opportunity to do so. His continued reference to these matters as picayune and delaying is not worthy of a minister of the crown.

In seeking to get the best possible board—and the Prime Minister in his own speech on second reading made it clear that such is his desire in respect of this board and he therefore properly made reference to that subject—it is important that the members of the board be not in a position in which their interests can conflict with their duties. I think the Minister of Trade and Commerce will see that the present clause is not as wide as were the provisions of the Railway Act dealing with the same subject.

The amendment is substantially derived from the Railway Act and is an attempt to deal with the subject by adding to the provisions of the Railway Act on a similar point. It will be noticed, for instance, that under the national energy bill setting up the board there is no provision excluding bondholders or pipe manufacturers, and so on, and I would ask the minister to give the matter further study because I think it is a matter important enough to warrant further study. The Railway Act provisions are considerably wider and I think better protect against the possibility of having a board where the interests of the members of that board can conflict with their duties.

Mr. Churchill: I appreciate the hon. member's suggestion that we might take a little time to study this matter. It is an amendment of some length and should be read rather carefully to see whether or not it would fit in suitably with the clause as now drafted. I would be quite prepared to suggest that subclause (5) stands until we have the chance to examine it further.

Some hon. Members: Agreed.

The Acting Chairman (Mr. McCleave): I would remind the committee that we have been dealing with the whole clause and not just the particular subclause. Is it the wish of the committee that the whole clause stands?

Mr. Churchill: Mr. Chairman, I was referring just to the subclause. I think the other parts might be dealt with unless there are any other comments.

Mr. Robichaud: I think in this case the other subclauses should be dealt with.

Mr. Churchill: Mr. Chairman, we had considerable discussion with regard to the first part and a vote was taken on that. These other subclauses seem to me not to arouse controversy.

Mr. Martin (Essex East): Let subclause (5) stand and we can go on with the others.

Mr. Churchill: The others are the normal provisions with regard to the establishment of the board, the tenure of members, the appointments, retirement age, temporary substitute members, residence, other employment prohibited, and so on.

The Acting Chairman (Mr. McCleave): Is it agreed that clause 3, subclause (5) do now stand?

Some hon. Members: Agreed.

The Acting Chairman (Mr. McCleave): Subclause 8 is next.

Mr. McIlraith: On subclause (8) I have one matter which I think should be brought to the attention of the minister. It concerns the establishment of the kind of board we want, and I agree with the necessity of getting a competent board. I was quite concerned with some remarks of the Prime Minister on second reading. He spoke about the difficulty of getting competent members on a board of this kind and the difficulties of having adequate compensation, and that sort of thing. I was tempted, as a matter of fact, to suggest to him at the time that there are other factors in getting the best possible board, and one is that the board, since it is a court of record, should be given independence to carry on its own work within the ambit of the bill and not be interfered with or dictated to. There is a good deal to be said on the subject about why members of these boards are leaving. I for one am perfectly frank in admitting that I am concerned about the number of able men who have left various boards within the last few years. I think of boards such as the board of transport commissioners, the Canadian farm loan board and the tariff board. There is a real problem for the government there in the loss to the public service of Canada of men of the calibre who have left those boards.

The point I want to make arises out of the Prime Minister's remarks on page 4025 of *Hansard* for May 26 last. He was dealing at that point with certain Alberta applications, and I would like to quote a passage from what the Prime Minister said in order to make my point. In referring to these applications he had this to say:

> In so far as those applications are concerned, they will be processed immediately by the board when it is set up. It will be set up immediately. There will be no need to wait for the mobilization of the board. The members of the board, from the evidence taken by the Gordon commission, the evidence taken by the Borden commission and the evidence taken by the conservation board of Alberta, will be in a position, I am sure, to determine fully the entire question.

The point I want to make is that the minister gave a firm commitment as to what the board would do. He did not indicate that he would ask the board to undertake the matter immediately, to deal with these cases immediately, and have the necessary hearings, or as the case may be. Not only that, but he went further. He undertook to indicate what evidence the board could deal with. That is a pretty serious matter. If you are setting up a board which will be a court of record, and then before the board is set up limit the evidence it can hear on particular applications, it is indeed quite shocking and I am sure not what the Prime Minister intended had he thought about it. I think he has had enough court experience to realize the impropriety of that course, and I would hope that the minister at some point in dealing with this matter will clarify the position and make it perfectly clear that there will be no such dictation to the board as is indicated in the remarks I have quoted. I regret that the Prime Minister is not here himself to deal with the point, because I am sure he could not have realized the extent to which he went in those remarks in the form in which they appear in *Hansard*. They appear to be absolutely ordering the board as to what they shall do, and even determining what evidence they shall consider in certain cases which will be coming before them in the future. I think it is a point which should be made very clear before any members are appointed to the board, or indeed any persons are approached to be members of the board.

The Acting Chairman (Mr. McCleave): Shall subclause (8) carry?

Mr. McIlraith: Would the minister make some reference to that?

Mr. Churchill: Mr. Chairman, all I would like to say here is that I did not read that

or interpret it as an order to the board to do anything. As I read the paragraph, the Prime Minister said that in his view from the evidence already accumulated the board will be in a position, he is sure, to determine fully the entire question. There is no order to the board in that sentence whatsoever. The intention is, as he set out there, to move as rapidly as possible in this matter.

Mr. McIlraith: Mr. Chairman, I point out that the Prime Minister said with reference to those applications, the particular named applications, that they will be processed immediately by the board when it is set up. In other words, he was not going to ask the board to do it but—

Mr. Green: May I ask the hon. member a question?

Mr. McIlraith: Yes.

Mr. Green: In view of the great importance of these applications, does the hon. member not wish to have them processed as quickly as possible?

Mr. McIlraith: Of course I do. That is my whole point. I want to get men competent to process them as soon as possible, but you cannot get the kind of men you want who are competent to process them by putting on record that the Prime Minister will determine when they will process them.

Mr. Green: We will get the men; do not worry about that.

Mr. McIlraith: I am sorry, but I will worry about it. I am sorry the Minister of Public Works takes that attitude, but there is a parliamentary responsibility and it is not a thing which should be treated in that way at all. I think the Minister of Trade and Commerce more nearly appreciates the point, and I should be glad if he would address himself to the first sentence of the Prime Minister's remarks I quoted in which it appears that an absolute commitment or order was being given to the board.

Mr. Martin (Essex East): I do not know whether or not the minister intends to answer the point made by the hon. member for Ottawa West, but it seems to me he might give us an indication of who the government intends to appoint to this board. I understand that a decision has already been made.

Some hon. Members: Oh.

Mr. McIlraith: I still think the minister should address himself to the point. This cloud over the board should surely be removed.

Mr. Churchill: I doubt the relevancy of the hon. member's remarks about this subclause and the speech made by the Prime Minister on May 26. I fail to see the connection between the two. However, I think that what the Prime Minister was indicating was that there should be quick action.

Mr. Martin (Essex East): What he intended to indicate.

Mr. Churchill: When he spoke of the mobilization of the board he meant that it would not be necessary to wait for the entire staff to be assembled down to the most junior office boy, but that the board could turn its attention to matters of immediate concern.

Subclause agreed to.

On clause 4—*Salaries.*

Mr. Robichaud: Clause 4 in subclause (1), calls for certain salaries to be paid to the chairman, vice-chairman and members of the board. We are not questioning those salaries, because we realize that if we want to get men to do the job which they are called upon to do under this bill they must be paid accordingly. But when we come to subclause (2) stating that expenses shall be paid to the members of the board, we certainly have some questions to raise. The subclause reads:

> Each member is entitled to be paid reasonable travelling and other expenses incurred by him in the performance of his duty while away from his ordinary place of residence.

We know that according to subclause (7) of clause 3 members may reside a distance away from Ottawa, as the governor in council determines. This leaves an opening for unwarranted expenses and we feel that a firmer control should be imposed over this board as far as travelling and other expenses are concerned. I therefore move:

> That subclause (2) of clause 4 be amended by replacing the words "his ordinary place of residence" by "the city of Ottawa".

It should be remembered that this board is called upon to sit in Ottawa, and for this reason we feel that the amendment should be accepted.

Mr. Martin (Essex East): Is there to be no explanation?

Mr. Churchill: I doubt if the hon. and very alert hon. members opposite need any explanation. This is simply a provision for reasonable travelling and other expenses incurred by members of the board in the performance of their duty. As to the provision regarding the ordinary place of residence, which we have suggested should be the city of Ottawa or within 25 miles thereof, that is modelled on section 15 of the Railway Act.

The distance limitation has been modified somewhat because of modern forms of transportation. The members should live within 25 miles of Ottawa.

Mr. Martin (Essex East): Or within such other distance—

Mr. Churchill: Somebody might be five miles further out.

Mr. Martin (Essex East): Or might live in Winnipeg.

Mr. Churchill: There are some competent people in Winnipeg who might serve on this board if that is what the hon. member has in mind. But normally one would expect them to be living here in Ottawa or near to Ottawa. As to drawing the line at 25 miles; well, someone might be 30 miles away. That is all we had in mind.

Mr. Martin (Essex East): The bill does not say that.

Mr. McIlraith: The minister indicates what he had in mind, but the measure itself says something quite different, and the amendment would make the position clear. Unless the amendment is accepted it will be quite possible for a member of the board to reside in Winnipeg and have all his travelling and similar expenses paid for coming to Ottawa to attend these hearings as set out in another part of the bill. It is to avoid that kind of situation that the amendment has been proposed. In other words, there is an unfortunate gap in the legislation as it is now presented to us, and if the minister would bring his proposals into line with the intentions he has indicated, we would be quite happy.

Mr. Churchill: Section 15 of the Railway Act contains that phrase "within such distance thereof"—referring to the city of Ottawa—as the governor in council at any time determines. Has any trouble arisen in the past, in the experience of hon. gentlemen opposite who were formerly in power, which would lead them to find fault with this provision now?

Mr. McIlraith: The answer to that question is: yes—a very dogmatic yes. Though I may say it was not under the Railway Act.

Mr. Roberge: The minister referred to section 15 of the Railway Act. He is right, of course, when he says that this provision of the Railway Act states "within such distance thereof as the governor in council at any time determines." But the minister failed to refer to section 29 which deals with the expenses and remuneration of officers of the board when they are away from Ottawa on duty. Under the bill we are now considering the ordinary place of residence may be

St. John's, Newfoundland or Vancouver, and every time a member of the board comes to Ottawa for two days he would be able to claim expenses.

Mr. Crestohl: I wonder if the minister would offer a word of explanation about the phrase "and other expenses incurred by him" in subclause (2) of clause 4. We can understand what reasonable travelling expenses are, but there is nothing to indicate what the other expenses may be, nor does the subclause speak as generously about the other expenses as it does about travelling expenses. When it speaks of travelling expenses, it speaks of reasonable travelling expenses. At least the subclause should read: "and other reasonable expenses".

Mr. Robichaud: I think we should have a better explanation from the minister than the one he has given. After all, it has been said that this board is called upon to sit in Ottawa. Ottawa is the seat of this board, even if it is not the residence of all the members, and as the measure now stands, as was pointed out by my colleague from Ottawa West, a member of the board could have his ordinary place of residence in Winnipeg, come to Ottawa to attend the sittings of the board and have all his travelling and other expenses paid at a cost to the government of $25 or $30 a day or more. I think this is simply running the risk of incurring unnecessary expense and we are warning this government which has committed itself to avoiding all unnecessary extravagance of the possible consequences. I want to recall to the government as well that at present there is an inquiry going on in certain committees about travelling and moving expenses. That is a warning to the minister. I think he should take it in good faith and accept this amendment.

Mr. Crestohl: If the minister chooses not to answer the question he leaves the words "other expenses" open to inclusion of the interpretation of unreasonable expenses. I draw to his attention again that when speaking of travelling expenses the word "reasonable" is used but not in respect of the words "other expenses". Does that mean that these other expenses may be unreasonable?

I have another question for the minister. Has the government estimated what it would cost the country in the over-all picture to operate the national energy board including salaries, offices, staff and whatever the requirements might be? Can the committee have some indication as to what the estimated cost of this will be to the country?

Mr. Churchill: Mr. Chairman, I cannot answer the hon. member's second question. In the course of time we will have some estimate of that expense.

With regard to his first question about the word "reasonable" I do not read it as applying only to the word "travelling". It applies to "other expenses" and I think would be so construed by anyone reading that sentence.

(Translation):

Mr. Dumas: Mr. Chairman, I think the government should be consistent. In fact, subsection 8 of section 3 provides that:

> Members shall devote the whole of their time to the performance of their duties under this act.

Therefore, if board membership implies full time duties, I take it the government expects board members to reside in Ottawa. If board members may reside say in Vancouver or in Newfoundland and travel to Ottawa to discharge their duties or functions, the government will have to pay their expenses and, in my view, that is inconsistent. The Minister of Trade and Commerce (Mr. Churchill) should be wise enough to accept the amendment we have just put forward.

(Text):

The Acting Chairman (Mr. McCleave): Is the committee ready for the question?

Mr. Dumas: The minister should answer my argument.

Mr. Churchill: The argument has been pressed with some vigour. I note that subclause (7) declares where the members usually reside. Subclause (2) of clause 4 when it speaks of the ordinary place of residence, obviously must be read in conjunction with subclause (7) of clause 3; so it is Ottawa or within 25 miles thereof.

Some hon. Members: No, no.

Mr. Churchill: It is not Winnipeg or Vancouver or some distant place.

Mr. Robichaud: Mr. Chairman, I will not say the minister is trying to mislead the committee because he would call me out of order. However, he is reading only part of subclause (7). It reads:

> (7) Each member shall during his term of office reside in the city of Ottawa or within twenty-five miles thereof—

The minister stopped there. The subclause continues:

> —or within such other distance thereof as the governor in council determines.

The minister should have read those last two lines. This bill gives too much power to the cabinet. This is one case where by order in council a member may be allowed to reside in Winnipeg, for instance, and his expenses would be paid during all the time he was in Ottawa. If he were to come here for two or three months at a time his expenses would be paid.

The Acting Chairman (Mr. McCleave): Order. I take it that the committee having agreed to subclause (7) of clause 3, hon. members in debate on subclause (2) of clause 4 will refer only to subclause (7) of the preceding paragraph in an incidental manner. It is not to be opened up for debate again.

Mr. Dumas: We accept that.

Mr. McIlraith: The minister put a rather pointed question to me a moment ago when I took exception to subclause (2) of clause 4. I pointed out that it was not in language that coincided with the language used in subclause (7) of clause 3. The minister asked rather pointedly if I had knowledge of any such case where this difficulty arose. I gave a somewhat dogmatic answer which I meant precisely the way it was given. I point that out as something that should be dealt with.

The Acting Chairman (Mr. McCleave): Is the committee ready for the question?

Mr. McIlraith: Let us make it clear. Does the minister not wish to answer that point?

Some hon. Members: No.

Mr. McIlraith: I do not care to accept the answer of hon. gentlemen opposite.

(Translation):

Mr. Denis: Would the minister tell us the difference between the ordinary place of residence of a board member, and his residence while performing his duties in Ottawa? As far as I can make out, paragraph 2 of section 4 deals with his ordinary place of residence. Then, I take it a board member has to reside in Ottawa during his term of office. Is that not so?

(Text):

The Acting Chairman (Mr. McCleave): Is the committee ready for the question?

Some hon. Members: No.

Mr. Martin (Essex East): We are waiting for a reply.

The Acting Chairman (Mr. McCleave): Those in favour of the amendment will please rise.

(Translation):

Mr. Dumas: Mr. Chairman, we are not satisfied. I think—

Mr. McPhillips: Order!

Mr. Dumas: I think the hon. member is quite unwise to act in that way. The

minister should realize that this amendment is a reasonable one. We are not making undue demands. This is a logical amendment, and I think the minister should respond to it.

(Text):

The Acting Chairman (Mr. McCleave): Is the committee ready for the question?

Amendment (Mr. Robichaud) negatived: Yeas, 22; nays, 73.

Clause agreed to.

On clause 5—*Chairman and Vice Chairman.*

Mr. McIlraith: I have one point to raise here. There is a provision in the Railway Act providing that a judge of a superior court of Canada or of any province of Canada, or who is a barrister or advocate of at least 10 years' standing, may be appointed chief commissioner. This provision is found in section 10 of the Railway Act. Has the minister considered that provision and is there any reason for omitting it from this clause, which seems to correspond somewhat with the Railway Act?

Mr. Churchill: Mr. Chairman, I would say with regard to that that we did look at the section to which my hon. friend has referred. We considered that it was not necessary in this bill.

Clause agreed to.

Clause 6 agreed to.

On clause 7—*Rules.*

Mr. Winch: I would like the minister to explain this. Quite bluntly, I cannot understand why the word "may" is there and not "shall". This clause deals with the rules of the board. It says in part:

> The board may make rules respecting
> (a) the sittings of the board;
> (b) the procedure for making applications, representations and complaints to the board and the conduct of hearings before the board, and generally the manner of conducting any business before the board;—

And so on. It is strictly something that the board does. Why the word "may" and not "shall"; is it automatic that the board must make these rules?

An hon. Member: It is not permissive.

Mr. Winch: It would be a terrible board if it did not make these rules.

Mr. Churchill: This is the normal method of empowering a board to do something. Hon. members will find wording along this line in section 20 of the Railway Act. The board may make rules and provisions respecting the type of thing that is listed here. There is nothing unusual about this wording in acts of this kind.

[Mr. Dumas.]

Mr. Martin (Essex East): Does the word "may" not have a periphrastic effect in the Interpretation Act? Does it not really mean "shall"?

Mr. Winch: The board cannot even function unless it does mean "shall".

Mr. McIlraith: It does.

Mr. Winch: Am I correct in that? How can the board act under permissive rules? It cannot function at all.

Clause agreed to.

On clause 8—*Secretary and other officers and employees.*

Mr. McIlraith: I take it that clause 8 derives from the Railway Act, so that there are no substantial changes from the provisions of the Railway Act?

Mr. Churchill: It is modelled on the Railway Act.

Clause agreed to.

On clause 9—*Experts.*

Mr. McIlraith: I take it that clause 9 also follows the Railway Act?

Mr. Churchill: It is modelled on section 21 of the Railway Act.

Clause agreed to.

On clause 10—*Board a court.*

Mr. McIlraith: I have one question on this clause. Paragraph 1 of clause 10 contains the simple statement that the board is a court of record. How does the minister reconcile this provision with clause 22 of the bill which provides for duties which are not usually those of a court?

Mr. Churchill: I think this simply indicates that the board has double duties. I do not think it is a question of reconciliation. The board has double duties to perform.

Mr. McIlraith: The point I want to make is that it is not the court of record that will perform those advisory duties that clause 22 has reference to. The court of record should obviously more properly have reference to all other provisions of the bill rather than clause 22.

Clause agreed to.

Clauses 11 and 12 agreed to.

On clause 13—*Delegation.*

Mr. Robichaud: This clause states that the board may delegate certain powers to one or more of its members, either jointly or severally. Can the minister explain to this committee what is the difference between the powers, functions and duties which the

board may delegate to one or more of its members and those that are excepted in this section?

Mr. Churchill: I regret I did not hear the conclusion of my hon. friend's remarks.

Mr. Robichaud: Can the minister explain to the committee the difference between the powers which may be delegated by the board to one or more of its members and those that cannot be delegated? There are certain exceptions such as 36, 37, 38, and so on, as outlined in the clause. Then, the powers of the board are listed in part IV of the bill. What is the difference between those duties and the ones that can be delegated to one member only?

Mr. Churchill: There is an error in these, and I shall be having an amendment moved in a moment to delete it. The clauses listed here are clauses in which there are major decisions to be made, and the board acts as a board with regard to these. The delegation to one or more of its members applies to functions in which the board is not sitting and making a decision. The hon. member can check with each one of those clauses that are listed here, which clearly indicate the importance of the duties of the board which would quite improperly be delegated to a single member of the board. It has just been made clear that these things are to be done by the board as a board.

Mr. Robichaud: Mr. Chairman, in order to illustrate what the minister has said, does he mean that one member of the board could be delegated by the board to issue licences, certificates, permits, and so on, under the regulations?

Mr. Churchill: It is just the opposite. These are the things that are listed in these exceptions, namely 36 on to the end of the paragraph.

Mr. Robichaud: Mr. Chairman, in view of the minister's explanation, clause 12 says:

> The board may order and require any person to do, forthwith, or within or at any specified time and in any manner prescribed by the board so far as it is not inconsistent with this act, any act, matter or thing that such person is or may be required to do under this act, or any regulation, certificate, licence or permit,—

Mr. Winch: Is it not a mandatory order and not a permissive one?

Mr. Churchill: I think the hon. member did not read the entire clause and his omission makes it confusing. If he will look at line 35 he will see the words, "and may forbid the doing or continuing of any act, matter or thing that is contrary to this act or any such regulation, certificate, licence, permit, order or direction".

Mr. Robichaud: Then the board may delegate to one of its members full and exclusive jurisdiction to inquire into, hear and determine any matter mentioned in clauses 11 (a) and 11 (b) which would lead to the issue of certificates.

Mr. Churchill: Perhaps I did not follow the reasoning of my hon. friend, but if it comes to the issuing of the certificate then clause 44 on page 14 of the bill clearly indicates how that may be done by the board, subject to the approval of the governor in council.

Mr. Robichaud: My reason for making this point is that the minister stated earlier when he introduced an amendment to clause 3 that the board would require five members because there was a lot of work involved and the board would have to have hearings throughout the country. What I want to point out is that one member of the board can be delegated to function at these hearings, according to clause 13.

Mr. Churchill: I think there is a misunderstanding here. It is only with regard to the orders made by the board that one person might be delegated to hear that particular matter but certainly he is not given the authority to issue certificates or to take the powers of the board itself.

Mr. Robichaud: The point is that one member of the board may be sent anywhere in the country to hold a hearing. He then comes back, makes his recommendation to the board and the board will issue a certificate. It does not take five members to sign or issue a certificate or permit.

The Acting Chairman (Mr. McCleave): For the sake of convenience, we have had notice of an amendment but the committee has not had the amendment placed before it. Perhaps it could be brought before the committee now.

Mr. Robichaud: There has been no notice of an amendment. We just asked the minister for an explanation.

The Acting Chairman (Mr. McCleave): There was verbal notice of an amendment to this clause.

Mr. Green: Mr. Chairman, with respect to clause 13 I should like to move the following amendment:

> That clause 13 be amended (1) by striking out "section 36" in line 44 on page 5 and substituting therefor "subsection (3) of section 36, section", and (2) by striking out the figure "85" in line 45 on page 5.

Mr. Winch: What is the effect of the amendment?

The Acting Chairman (Mr. McCleave): Order. The committee has heard the amendment. Shall the amendment carry?

Some hon. Members: No.

Mr. Winch: I tried to hear what the Minister of Public Works was changing but I have not got the bill before me. What is the effect of the amendment?

Mr. Churchill: The effect of the second part of the amendment is to correct a misprint. The "85" should not have been there. The first part of the amendment substitutes subsection 3 of section 36 instead of all of section 36. If you will look at section 36 on page 12 you will find that subsection 1 deals with approval of deviations, subsection 2 with the construction of works after approval and subsection 3 with exemptions. Subsection 3 says that "the board may exempt a company" and that is a function which would not be performed by one member of the board under delegation.

Amendment agreed to.

Clause 13 as amended agreed to.

On clause 14—*Powers of single member.*

Mr. Roberge: I should like to ask the minister if clause 14 (1) differs from the similar clause in the Railway Act and if it does what is the difference?

Mr. Churchill: Clause 14 (1) is identical with section 12 (1) (b) of the Railway Act. Clause 14, subsection 2, is modeled on section 36 of the Railway Act. Does the hon. member wish any further comment on that particular point?

Mr. Roberge: The minister states that clause 14 (1) is identical with section 12 (1) (b) of the Railway Act.

Mr. Churchill: It is identical except for inappropriate words. The Railway Act refers to the chief commissioner where this bill speaks of the chairman. The Railway Act talks about commissioners where this bill speaks of members.

Clause agreed to.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Martin (Essex East): Can the minister tell us what the order of business is for tomorrow?

Mr. Green: Tomorrow we shall continue with this debate and if it should be concluded we will take the estimates of the Department of Public Works.

Mr. Martin (Essex East): If it is not concluded, can my hon. friend tell us what the order of business will be for Monday?

Mr. Green: If the bill is not finished tomorrow we would go on with it on Monday. If it should be finished, then we would take a supply motion. I believe there is some possibility of agreement being reached between the three parties that the supply motion will be for one day only instead of two, with the vote at 8.15 in the evening, so that members will have from that time until ten o'clock to bring forward any grievances.

Mr. Martin (Essex East): It is clear that we will be on this bill on Monday if we do not finish it tomorrow?

Mr. Green: That is right.

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

HOUSE OF COMMONS

Friday, May 29, 1959

The house met at 11 a.m.

POLYMER CORPORATION

INQUIRY AS TO STRIKE SITUATION

On the orders of the day:

Hon. Paul Martin (Essex East): I wonder if the Minister of Labour is in a position to advise the house as to the result of negotiations since Monday last in the matter of the dispute at the Polymer Corporation in Sarnia.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, Mr. Taylor, who has been appointed mediator, had to leave for a few days to go to Vancouver but he asked both parties to continue their talks. It has been left in that position for the moment. I expect to see Mr. Taylor back with both parties on Monday.

EXTERNAL AFFAIRS

REFERENCE TO "GLOBE AND MAIL" EDITORIAL CONCERNING "UNDIPLOMATIC DIPLOMATS"

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I should like to direct a question to the Prime Minister. Has he seen and would he care to comment on an article in the Toronto *Globe and Mail* of May 27 entitled, "Undiplomatic Diplomats"?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I did see the editorial in question, and the only observation I should like to make upon that matter at this time would be that an exercise of greater restraint in controversial utterances on the part of diplomats in general in Canada could not but be regarded most favourably, I think, by Canadians as a whole.

GRAIN

WHEAT—INQUIRY AS TO FINAL PAYMENT ON 1957-58 CROP

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the minister anything further to report with regard to the final payment on the 1957-58 wheat crop? The minister said to me on May 18 that he expected a report from the board almost momentarily.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the pool for 1957-58 was closed out on May 15 and the cheques will be issued commencing the first week of June.

Mr. Argue: I thank the minister for his very favourable answer. Is he able to inform the house of the amount of the final payment per bushel?

Mr. Churchill: No, Mr. Speaker, I have not that information in front of me.

AGRICULTURE

SUNFLOWER SEED—ANNOUNCEMENT OF FLOOR PRICE

On the orders of the day:

Mr. G. R. Muir (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has the government yet been able to reach any decision on the request of the sunflower growers of Manitoba for a floor price, and would the minister give the house a statement on this important question?

Hon. D. S. Harkness (Minister of Agriculture): Yes, Mr. Speaker, this matter has been dealt with. The agricultural stabilization board have been authorized to provide a support price for sunflower seed to the producers of this crop in the province of Manitoba at 4 cents per pound, Canada No. 1 grade, for the 1959 crop. The prescribed price is 87 per cent of the 10-year average price of 4.6 cents per pound.

This crop is mainly grown in Manitoba and is an important secondary cash crop to producers in this area, with present plantings at about 45,000 acres. The products from crushing sunflower seeds are competitive with soybeans and other oil-bearing seeds, and the level of support, 87 per cent of the 10-year average, is the same as that provided for the soybean growers.

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to direct a question to the Minister of Agriculture following the announcement he made concerning a floor price for sunflower seeds. When the minister mentions soybeans, of course, he always arouses me, and that in turn causes me to ask whether or not he is in a position to announce a floor price for

Ontario wheat following the request made by the Ontario wheat producers' association?

Mr. Harkness: No, Mr. Speaker.

BUSINESS OF THE HOUSE

INQUIRY AS TO PROVISION OF INTERIM SUPPLY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Finance and ask if it be his intention to ask for another interim supply bill in order to carry on the public service beyond May 31.

Hon. Donald M. Fleming (Minister of Finance): Yes, Mr. Speaker. The supply which parliament provided was in order to carry the expenses of government just to the end of this month. Subject to the arrangement of the business of the house by the house leader it was my hope that I might move for interim supply next Wednesday.

Mr. Howard: Which is after May 31.

Mr. Fleming (Eglinton): Yes. I shall move for interim supply in order that we may have funds to meet our obligations on the 15th of June, for which we must have funds a week in advance.

THE MINISTRY

INQUIRY AS TO APPOINTMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he can inform the house what progress, if any, he is making in the appointment of a secretary of state for external affairs.

Right Hon. J. G. Diefenbaker (Prime Minister): I am making a wonderful degree of progress, and I think the Leader of the Opposition will have his curiosity satisfied at a very early date.

Mr. Martin (Essex East): Before the end of the session?

NATIONAL DEFENCE

BOMARC MISSILE—REPORTED REDUCTION IN U.S. APPROPRIATION

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Will the minister comment on reports that the United States congress appropriations committee has slashed by one-third the current appropriation for the Bomarc missile?

[Mr. Martin (Essex East).]

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the government of the United States, in the same way as the government of every other nation, are finding that the necessity of providing funds to meet defence purposes is causing a great strain on their budget; and they, like the government of Canada, are seeking every possible means of removing any duplication. They have been doing that through their various committees. A few weeks ago a Senate committee recommended considerable reductions in the Nike system of ground to air missiles, of which the Nike Hercules is the most advanced type. Yesterday or the day before a committee of congress recommended a reduction in the expenditures in connection with the Bomarc "A", which is the first of the Bomarc series of ground to air missiles.

The Bomarc "A", like the Nike Hercules, has rather a limited range. My understanding is that there have been no reductions recommended by the congressional committee in the development of the Bomarc "B" missile, which is the missile with which Canada expects to have its forces equipped in the near future.

Mr. Hellyer: A supplementary question. Does the minister feel that this proposed reduction indicates a lack of confidence in the missile by the United States authorities?

Mr. Speaker: Order. I suggest to the hon. member that the question seems to relate to matters beyond the administrative responsibilities of the minister to whom the question was directed.

Mr. Hellyer: Mr. Speaker, this matter seems to fall within the administrative competence of the minister, in that the Canadian defence forces—

Mr. Churchill: Question.

Mr. Hellyer: —are relying upon this missile for our air defence.

Mr. Speaker: The hon. member then might direct his question in such a way as to get his information by a little more direct inquiry than an inquiry on what is going on in the United States congress.

Mr. Hellyer: Mr. Speaker, may I pose another question?

Mr. Pearkes: The statement made by the hon. member a moment ago is quite incorrect. The Canadian government has never had any intention of employing the Bomarc "A", which is I understand the missile referred to in the congressional committee report.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask whether the Bomarc "B" has yet been tested successfully?

Mr. Pearkes: I think the hon. gentleman will remember that there was a press report only a couple of days ago that the Bomarc "B" had been tested.

Mr. Pearson: Yes, Mr. Speaker, but surely we do not have to get our information from press reports, and this particular press report did not indicate that there had been a successful testing.

Mr. Hellyer: Perhaps the minister would comment on the report in the *Globe and Mail* of this morning by Philip Deane of the Washington staff of the *Globe and Mail,* in which he is reported as saying that he has learned at first hand from one of the chiefs of staff of the United States armed forces that the Bomarc is indeed useless; and he was an air force man.

Mr. Pearkes: That is not the information we have, Mr. Speaker. The official information I have is that the development of the Bomarc "B" is proceeding according to schedule.

Mr. Hellyer: Is the minister as up to date as Mr. Deane?

Some hon. Members: Order.

R.C.A.F.—POSSIBLE REMOVAL OF HEADQUARTERS FROM JERICHO TO KITSILANO, B.C.

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of National Defence. Can the minister give the house any information on a statement made in Vancouver two days ago by a member of this house, to the effect that the R.C.A.F. is going to be moved from Jericho and Kitsilano to Vancouver?

Hon. G. R. Pearkes (Minister of National Defence): The possible move of R.C.A.F. headquarters from Jericho to the Vancouver station, which I believe is Kitsilano, is under consideration.

FINANCE

INQUIRY AS TO BANK ACT AMENDMENT RAISING INTEREST RATES

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Minister of Finance. Is the minister in a position to assure the house that the government will not ask for an amendment to the Bank Act at this session which would raise the permissible interest rates that the banks are allowed to charge?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, there is no intention on the part of the government to introduce any amendments to the Bank Act at the present session. It is a longstanding custom of parliament to revise the Bank Act every ten years following detailed hearings before the banking and commerce committee, and there appears to be no occasion to depart from that well established practice.

INQUIRY AS TO ESTABLISHMENT OF NATIONAL INVESTMENT BOARD

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): May I ask the Minister of Finance whether he has given any consideration to the early establishment of a national investment board so that the credit needs of the Canadian people may be met?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the answer, of course, is no. The establishment of any such body would not necessarily have the consequence that the hon. gentleman holds out for it at all. Credit problems and the strains on credit at the present time are attributable to the very rapid expansion and recovery of the Canadian economy. I think the hon. member has evidently quite underestimated the strength of the expansive forces at work in the Canadian economy today. Certainly the Canadian economy is recovering at a very rapid rate.

Mr. Regier: Is the minister in a position to inform the house what branch of the Canadian economy is undergoing this very rapid expansion that we have heard so much about?

Mr. Fleming (Eglinton): A large number of them.

Mr. Speaker: I think that is perhaps a bit too broad a question for this stage of the proceedings.

INQUIRY AS TO LOANS TO UNEMPLOYMENT INSURANCE COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): I wonder if the Minister of Labour could tell us whether he has the information I requested yesterday, as to whether or not any loans have been made by the government to the unemployment insurance commission since May 7.

Hon. Michael Starr (Minister of Labour): That information has not yet come to my desk. As soon as it does I will convey it to the hon. member.

Mr. Martin (Essex East): Perhaps in view of the fact that the Minister of Finance has returned to the city he could give us that information.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I do not wish to answer offhand as to specific amounts and dates. If my hon. friend had indicated to me his intention to ask this question I would have been glad to provide him with the amounts and dates. However, I believe the authority that was given in the two orders in council, to which reference was made during discussions in the house within the last fortnight, has not been exhausted as yet. I believe that at the moment the total outstanding is around $75 million.

Mr. Martin (Essex East): Then another $20 million has been added since my hon. friend spoke about it?

Mr. Fleming (Eglinton): The total amount at the time of the debate two weeks ago was $55 million, and my recollection is that the total at the moment is around $75 million. The authorization under the two orders in council was for $80 million, and that has not been exhausted as yet. I might also tell my friend, although this is not a final answer, the indications are that the total authorization is not likely to be required.

Mr. Martin (Essex East): That is because of the amendments that are now before us?

Mr. Fleming (Eglinton): It is rather because of the substantial improvement in the employment situation.

DRUGS

NARCOTIC CONTROL—RESPONSIBILITY OF FEDERAL GOVERNMENT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Justice. Has the minister taken note of the reported statement by the attorney general of British Columbia that all matters relating to narcotics are the responsibility of the federal authorities? Will he comment on the statement and give the house an indication of government plans relative to this most important and disturbing problem?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, my understanding of what the attorney general of British Columbia said is not the same as the summary just given by the hon. member. The report upon which I believe the question is based refers to a statement made by the attorney general of British Columbia to a meeting of the Canadian congress of corrections in Vancouver. I am informed that what the attorney general said there was by way of making a report on what British Columbia was doing in this field, and that he suggested that to deal with the matter satisfactorily there should be a greater assumption of responsibility by the federal authorities.

On that point I think about all I should say is that our planning committee is making a study of the question of the treatment of offenders who are also narcotic addicts. We are pursuing some preliminary inquiries in my department and with the Department of National Health and Welfare, and when we have the report of the committee I expect to be able to refer it to my colleagues and then make some final plans or recommendations with regard to what we should do in the narcotic field.

Mr. Winch: Can the minister give us any indication at all as to approximately when he expects to receive the report of the committee he has just mentioned?

Mr. Fulton: I expect to receive the report by the end of this year.

AIRPORTS

VANCOUVER—FEDERAL ASSISTANCE IN FUTURE EXPANSION AND ADDITIONAL FACILITIES

On the orders of the day:

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I have a question for the Minister of Transport of which I have given him notice. Will the minister make a statement to the house on the results of the meeting this week with members of the Vancouver city council in regard to the future expansion and the provision of additional essential facilities at the Vancouver international airport?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the members of the Vancouver city council called upon me to discuss questions relating to the operation of the Vancouver international airport by the city of Vancouver and the method of financing a new terminal building there.

I informed the delegation that government policy provided for grants in aid to terminal buildings at municipal airports served by class 1 scheduled services. The amount of the grant in aid would be related to the cost of the customs and immigration space, and a proportion of the public waiting room space in the building. I also informed them it would not be possible to go beyond this policy or to have the federal government finance the whole of the construction of the terminal building, either by loan to the city

or by direct financing of construction with the building thereafter being rented to the city.

Members of the delegation also inquired regarding the responsibility for the operation of the airfield, and I informed them that we were quite happy with the present efficient operation of the airfield, but that if at any time the city felt that it wished the federal government to take over full responsibility for operation, this was a matter we would be prepared to discuss with the appropriate municipal authorities.

COMBINES INVESTIGATION ACT

SHIPPING—REPORTED PRESSURE TO WITHHOLD CARGOES

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Justice, and I hope my notice reached him in sufficient time. Has the attention of the minister been drawn to the article in the May 23 edition of *Saturday Night* which indicates that the combines investigation branch is investigating charges that the Canada-United Kingdom freight conference has been using pressure tactics to keep freight rates up, and if so could the minister comment on this matter?

Hon. E. D. Fulton (Minister of Justice): The hon. gentleman was kind enough to send me notice of his intention to ask this question. I have not had time to study the article in *Saturday Night* to which he refers, but I assume it refers to the freight conference which was the subject of an earlier inquiry directed to me by the hon. member for Quebec East. If the hon. gentleman will look at *Hansard*, page 1442, for February 27 of this year, he will see the question the hon. member for Quebec East asked and my answer. I think he will find there the information that he desires.

HOUSE OF COMMONS

REFERENCE TO THEFT FROM PRIME MINISTER'S RESIDENCE

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I ask a question of the Prime Minister. We were all sorry to learn of the theft which took place at his residence, and I wonder if the Prime Minister had previously communicated with the Postmaster General concerning the installation of a burglar alarm or in connection with procuring the services of the R.C.M.P. as a matter of security?

THE MINISTRY

PROVISION FOR APPOINTMENT OF PARLIAMENTARY SECRETARIES

Right Hon. J. G. Diefenbaker (Prime Minister) moved the second reading of and concurrence in amendments made by the Senate to Bill No. C-37, to provide for the appointment of parliamentary secretaries to ministers.

Hon. Paul Martin (Essex East): May we have some explanation?

Mr. Diefenbaker: Mr. Speaker, the amendments suggested by the Senate are simply as follows; that the governor in council may appoint one or more members of the House of Commons to be parliamentary secretary or secretaries to the ministers. Then there is an alteration, and the later clause providing for the parliamentary secretary or secretaries, to make that subsequent section conform, has been amended accordingly.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, this seems to be a sensible change, because it would make it possible for a minister or for the Prime Minister to have more than one parliamentary assistant, if that were considered desirable. I take it that is the purport of the amendment. It does seem to make the legislation a little more flexible and perhaps improves on the original bill. It will also make possible once the amendment is accepted, if it is accepted by the house, for this legislation to be put through and for the government to take the necessary action in regard to it.

The effect of this legislation is awaited by many members of the house, to use the Prime Minister's words, with a good deal of curiosity; but I would think that in view of the fact that the session is now so far advanced and that perhaps we have only another six or seven weeks to go, all being well, it would not be desirable to sanction such an expenditure of public money as would necessarily be involved in the appointment of these parliamentary secretaries so near the end of the session. Once the session is over they would have nothing to do. Therefore by delaying this measure, although it is unfortunate from one point of view, the government has at least saved some public expenditure.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as far as this group is concerned this seems a sensible amendment. It provides a certain flexibility to meet the administrative requirements and duties of the ministers. That is all I have to say in this connection; but could the Prime Minister inform the house

when he will relieve the state of tension in his own party by the appointment of these parliamentary secretaries?

Mr. Diefenbaker: Mr. Speaker, I had not known of this aggravated state of tension except for the assistance given by the members of the opposition, who have shown an unusual interest in this regard. However, I am glad to find that they concur in the suggested amendments. The Leader of the Opposition has said that it makes possible the appointment of two parliamentary secretaries to one minister, which would seem to indicate that probably one would be English speaking and the other French speaking, and I think that is a very desirable end.

I would say that the two parties opposite are not in complete agreement, though they sometimes have an unusual spirit of cooperation between them. However, the Leader of the Opposition has said today that the appointments should not be made immediately, and the hon. member for Kootenay West has said they should. I think on this occasion the views of the C.C.F. are going to receive more support from this side of the house than those of the official opposition.

Motion agreed to, amendments read the second time and concurred in.

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

The committee resumed, from Thursday, May 28, consideration in committee of Bill No. C-49, to provide for the establishment of a national energy board—Mr. Churchill—Mr. Sevigny in the chair.

The Chairman: Shall clause 15 carry?

Mr. Churchill: Mr. Chairman, there were two clauses which were stood yesterday. I wonder if we could consider those first. They are clause 2, subclause (q), in the interpretation section, and clause 3, subclause 5, to which there was an amendment. It would be helpful, Mr. Chairman, if we could consider those before we go on any further.

The Chairman: Is it agreed that we revert to clause 2, subclause (q)?

Some hon. Members: Agreed.

On subclause (q)—*Special act.*

Mr. Churchill: Mr. Chairman, this suggestion was made by the hon. member for Burnaby-Richmond; that for clarification the words "in this act" at the beginning of clause 2 should be succeeded by "and in any special act", as occurs in the interpretation section of the act respecting oil and gas pipe lines. His suggestion has been considered, but as I stated last night paragraph (a) under clause 80 indicates that "this act shall be construed as incorporate with a special act". If the two acts are to be read together as one act then obviously the definition will apply. I do not think the suggested amendment would accomplish anything, and I would prefer to leave the clause as it stands.

I might say that a number of the special acts have been looked at in the interval. They all follow the same pattern; they do not have a definition section. Most of the expressions defined in this bill are not used in the special acts. They do, of course, refer to gas and oil and pipe lines, but the meaning of those terms in the special acts is quite clear from the context in which they are used and there is no inconsistency between those words and any terms in this bill.

Subclause (q) agreed to.

On clause 3, subclause 5—*Eligibility.*

Mr. Churchill: Mr. Chairman, an amendment was moved last night to this subclause which is now under consideration. That amendment would have incorporated in this bill the provisions of paragraph (a) of subsection 1 of section 14 and subsection 2 of section 14 of the Railway Act. This refers to the fact that no commissioner or officer of the board—that is, the board of transport commissioners—should have any interest, if I may paraphrase it, in stocks, shares, bonds, debentures or other securities of any company that comes under that act.

Our consideration of that amendment may be summed up as follows. The purpose of a provision such as subclause 5 is to ensure that the board will be disinterested and unbiased. In drafting such a provision as this it is not easy to cover all conceivable cases, as hon. members will understand, and the danger is that the provision will go too far. In the Railway Act there is no disqualification in a case where a member of the board is a director or other officer, as there is in the present bill. Moreover, the Railway Act prohibits a member of the board from indirectly being interested in any security of a company. Read literally, this would prohibit a member of the board from holding a participating life insurance policy with a company that had invested some of its funds in securities of a railway company.

In the present bill we have tried to draft a provision that would cover the normal cases without, at the same time, leading to

absurd situations. There is an important distinction between this clause and the present provision in the Railway Act, in that under the Railway Act there is only an obligation to report and get rid of an interest, whereas in the present bill there is an absolute statutory disqualification. I should think the present provision is wide enough to dissuade any member from being interested in bonds or securities of a company, because if he transgressed the section he would by operation of law become disqualified. It must also be borne in mind that the proposed board is to be a court of record, and it is a fundamental principle, whether stated in the statute or not, that a judicial tribunal must be unbiased.

I do not expect there will be any difficulty in applying this section so as to disqualify all those who ought to be disqualified, and I am therefore unable to accept the amendment that has been moved.

Mr. Pearson: The minister has said that he does not feel it is possible for the government to accept this amendment. May I ask him this question. Under the present clause would it not be possible for a person to hold debentures in a pipe line company and yet be eligible for membership of the national energy board?

Mr. Churchill: Our consideration of this clause, with exactly such a situation as that in mind, is that a member of the board would, prior to becoming a member, divest himself of any holdings in a pipe line company. The way in which this clause is worded now—"if as owner, shareholder, director, officer, partner or otherwise—engaged in the business of producing, selling, buying, transmitting" and so on, would certainly dissuade a member of the board from retaining any holdings in a pipe line company, because if he did possess such holdings and that became evident he would automatically be disbarred from sitting as a member of the board, whereas under the Railway Act a disclosure of that nature only imposed upon the member of the board concerned the duty to divest himself of his holdings before continuing in office. This is a more stringent regulation than that contained in the Railway Act.

Mr. Dumas: I think the argument of the minister is invalid, because at the present time the members of the board of transport commissioners, for example, cannot hold bonds or shares, and I am sure those commissioners must have life insurance. So the minister has not given us a valid reason for rejecting this amendment. As the bill stands, members of the energy board could hold debentures and bonds in a pipe manufacturing company and still be eligible for office.

The Leader of the Opposition put a direct question to the minister. He asked whether a member of the board holding debentures in a pipe line company or in an oil company could carry out his duties. The minister did not answer that question. He said the provisions in the bill should be an incentive not to hold such bonds. We maintain that members of the board should be prohibited from holding bonds and debentures in a pipe line company.

Mr. Pearson: Would the minister answer this question. If the possession of shares in a pipe line company disqualifies the holder from sitting on the board, why should not that disqualification also extend to the holding of debentures?

Mr. Churchill: Our feeling is that we do not need to write specifically into this clause all the conceivable situations which might arise. We feel that as this clause is drafted no member of the board will subject himself to any suspicion of holding an interest in pipe lines with which he is dealing in a judicial capacity as a member of the board. We feel that that is sufficient to guard the public interest.

Mr. Pearson: If that is sufficient, why put the clause in in its present form at all? Why say "shareholders" and not "debenture holders"? In any case I would point out that a great many debentures have share warrants attached to them.

Mr. Dumas: That is correct. Debentures are issued, and to those debentures share warrants are attached, so that if a member of the board owns debentures he owns shares as well. I think the words "debentures and bonds" should be included.

Mr. Churchill: I am not taking any inflexible attitude with regard to this question provided we can arrive at something satisfactory to the committee. Would it be agreeable to the committee if we added, at the end of the clause, the words "or if he holds any bond, debenture or other security of a company"?

Mr. McIlraith: That undoubtedly would materially improve the subclause, but it does not cover the case of shareholders in pipe manufacturing companies. A member might be a large shareholder in a pipe manufacturing company or in a wholesale pipe distributing company and still be eligible to sit on the board. That is not covered by the minister's proposal, and I wonder whether the hon. gentleman has something to say on that point, bearing in mind that there are now a good many wholesalers in this business.

Mr. Lambert: With all due respect to the hon. member for Ottawa West, why limit it to a pipe mill? What about the steel mill immediately back of the pipe mill? How far back is one to go?

Mr. McIlraith: I think the answer to that question is simple. The reason for not limiting it further is that a steel mill produces a very heavy tonnage of steel in a year of which only a very small percentage goes into the making of pipe. If the hon. member would look at the tonnage figures for steel production in Canada last year and then look at the figures for the number of tons of that steel which went into pipe construction he would find the answer quite readily.

Mr. Lambert: I suggest that the hon. member should consult the record with regard to certain steel mills in the country not located in this particular area; he might find the respective volumes are different from those he has suggested.

Mr. Broome: Mr. Chairman, in that regard they manufacture all sizes of pipe, and by far the greatest production is in casing pipes. Also, we have international competition in this sort of business. A great deal of pipe comes from England. If you want to be really specific about it, what about the coatings and coverings that go on the pipe? They are manufactured by firms such as Minnesota Mining. You just cannot carry it too far, because the industry is so vast and complex that you could relate it to literally thousands of products to the extent that it would become ridiculous.

Mr. McIlraith: Mr. Chairman, the amendment suggested undoubtedly improves the clause, but the point is that an effort is being made by the clause to prevent persons engaged in the business from being eligible for appointment to the board. It is just a matter of finding some reasonable wording that will prevent persons who are directly concerned with that type of business from being appointed to the board. That is why my colleagues and I raised the question of ownership in a pipe manufacturing company. It is quite true that if someone wants to make a ridiculous case about it he could go back very far through industry and reduce the question to an absurdity. It is a matter of getting a practical line that is workable and which, when we put it into language in this clause, will have the effect of excluding those whose interests may be in conflict with their duties on the board.

I am pleased that the minister has seen fit to accept as much of the suggested amendment as he has indicated. I believe it does a great deal to correct the situation, but I ask him to consider the further point I raised and comment upon it.

Mr. Churchill: That is worthy of consideration, but I feel that under the circumstances we have adequate protection here. I feel we have had a meeting of minds. We are lifting right from the amendment in front of us those words, "bond, debenture or other security". If the hon. member who moved the amendment would withdraw it my colleague would be pleased to move the modification I suggested.

Mr. Dumas: I agree, Mr. Chairman, subject to the minister moving his modified amendment.

Mr. Green: Mr. Chairman, I move that the following words be added at the end of subclause 5:

—or if he holds any bond, debenture or other security in the company.

The Chairman: Is it the pleasure of the committee to accept the amendment?

Mr. Pearson: Yes, I think that amendment improves the clause and we on this side could accept it.

Amendment agreed to.

Mr. McIlraith: Before the amended clause carries I want to be clear on one point. It is only a point of draftsmanship. Would the words "of a company" mean a company under the definition in clause 2?

Mr. Churchill: Yes, as defined in the bill.

Mr. McIlraith: That, of course, excludes oil companies, refining companies and so on?

Mr. Green: As I understand it this would include any pipe line company.

Mr. McIlraith: Yes, but the point I was interested in is this. That language at the end of the amendment has the effect of excluding any oil company. In other words, it makes eligible for appointment the largest bondholder in the country in one of the oil companies. Is that what was intended?

Mr. Green: Mr. Chairman, may I point out to the hon. member for Ottawa West that in the amendment moved by the hon. member for Villeneuve this same expression was used.

Mr. McIlraith: Yes, it was "company" subject to the language in the Railway Act from which this seems to come. It covers a wide range of companies. I was wondering if the minister had given sufficient attention to the point I raised. I do not want to press it at all, but before the amendment finally carries I merely wish the minister to consider that point.

Mr. Green: That type of company is not expressed in the amendment moved by the hon. member for Villeneuve.

Mr. McIlraith: I do not think the argument that two things that are wrong make a thing right can be accepted.

Mr. Churchill: What we considered was "company" as defined in this bill.

Mr. McIlraith: So the bond holder of an oil company is eligible for appointment?

Mr. Lambert: No. Read your clause.

Mr. Churchill: A shareholder is already excluded by the earlier part of the bill.

Mr. Lambert: Selling or buying.

Mr. McIlraith: "Selling or buying" are the words it would cover. I think that answers the point.

The Chairman: Shall the clause as amended carry?

Some hon. Members: Carried.

Clause as amended agreed to.

On clause 15—*Enforcement of board orders.*

Mr. McIlraith: I take it that this is lifted from the Railway Act with appropriate changes of language?

Mr. Churchill: Yes.

Mr. Martin (Essex East): I am wondering about this clause, no matter what its origin may be. It reads in part as follows:

> Any decision or order made by the board may, for the purpose of enforcement thereof, be made a rule, order or decree of the exchequer court or of any superior court of any province of Canada and shall be enforced in like manner as any rule, order or decree of such court.

One of the clauses makes the board a court of record. As the hon. member for Ottawa West pointed out last night, clause 22 of the bill gives advisory functions to the board that certainly would not be normal to a court of record. The exchequer court is a court in the full sense of the word and in the meaning we convey when we use the words "judicial process". Can the minister say whether his legal advisers have given full effect to the implications of this?

I will admit there is some extenuation in the words "for the purpose of enforcement thereof". It may be that the strictest interpretation is that the decree of this body may be regarded as having the same value as that of the exchequer court but only with respect to the question of enforcement. In any event it seems to me as a lawyer that one ought to be very careful in endowing a body that is not a court at all, even though the bill designates it as a court of record, with the authority and all the dignity that attaches to a body of this kind, when it is not really a court.

Mr. McIlraith: We need it.

Mr. Martin (Essex East): My friend the hon. member for Ottawa West says that we need it. It may be necessary, but what we are doing is giving the board all the authority of a court for the purpose of the enforcement thereof. I should like the minister's comments.

Mr. Churchill: Mr. Chairman, the hon. member is in agreement with our thinking on this line. He has seized upon the words that are important there, "for the purpose of enforcement thereof". Otherwise it is identical with section 50, subsections 1 and 2 of the Railway Act.

Mr. Martin (Essex East): The rules of evidence and argument and that sort of thing would not apply? My hon. friend who is a lawyer can understand what I am concerned about. Someone comes before a board like this. If it was really a court you would be obliged to take into account the rules of evidence in a normal court, which would be quite impossible before a body like this. I take it nothing like that is intended.

Mr. Lambert: They set up their own rules.

Mr. Martin (Essex East): That is what I want to make sure.

Mr. Churchill: It is because there is no enforcement machinery in the energy board; therefore this is the method by which its orders shall be enforced.

Clause agreed to.

On clause 16—*General or particular orders.*

Mr. McIlraith: I take it this clause is completely new. Is that right?

Mr. Churchill: Yes, it is new.

Clause agreed to.

On clause 17—*Review of orders by board.*

Mr. McIlraith: I take it that this one is from the Railway Act, with the appropriate changes having to do with the fact that the governor in council must approve the orders issued by the board. Perhaps the minister will assure us on that point.

Mr. Churchill: It is substantially section 52 of the Railway Act. The major decisions of the energy board require the approval of the governor in council.

Mr. McIlraith: In addition to that, this clause provides that where there is any change or alteration in the order, the change

or alteration cannot be made without the approval of the governor in council in cases where the approval is necessary.

Mr. Churchill: Yes.

Mr. McIlraith: Of the original order?

Mr. Churchill: If the approval of the governor in council is required any change, therefore, in that type of order in its turn requires the approval of the governor in council.

Mr. Pearson: Would it be possible under this clause—and I ask the minister for information—for anyone concerned with a decision of the board to request a review? This clause does give the board the power to review, to alter, to rescind, and in that sense perhaps it makes provision for an appeal. But could someone concerned with a decision use this particular clause and ask for a review of a decision made by the board?

Mr. Churchill: That might be done subject to the rules of procedure made under clause 7 on page 4 of the bill.

Mr. Martin (Essex East): I would like to follow up this.

Mr. Churchill: Clause 7 says:

> The board may make rules respecting
> (b) the procedure for making applications, representations and complaints to the board—

Mr. Martin (Essex East): That could be, but it seems to me the point made by the Leader of the Opposition is not without some value. Of course clause 18 provides for an appeal on questions of law and matters involving the jurisdiction of the board, but what the Leader of the Opposition seemed to be asking was whether or not the permissive review provided for in clause 17 would authorize an individual to take steps to appeal a decision that had been made by the board on a question, let us say, of fact, or on a matter that was outside the mischief of clause 18, involving a question of law or one of jurisdiction. This raises the whole question, of course, of the administrative practice of administrative tribunals, as to whether we are going to give individuals the right of appeal from an administrative board order, not only on a question of law but on a question of fact; or, once the board makes a decision on a question of fact, is that to be final, subject only to the approval of the governor in council?

Mr. Churchill: Yes, that was intended. Under this clause an individual might request the board to review, and so on, and under this clause the board has the power to take action.

[Mr. McIlraith.]

Mr. Pearson: Would the board have the power to take action of that kind unless it had made rules under clause 7, which is the procedure clause? The minister will appreciate our interest in this matter, not only our interest, but the interest expressed also in this appeal procedure by hon. members from Edmonton and Calgary. We were wondering whether this clause could be used to meet the points which they brought out in their statements on second reading.

The minister has now said that an individual can ask the board to review a decision, but unless rules of procedure were made by the board under clause 7, could the board do it? In other words, could the board take that action without the appropriate rules under clause 7? Is it the intention, or was it the understanding of the government in drafting this bill, that perhaps a procedure of this kind could be provided for under clause 7?

Mr. Churchill: I think it is clear that the board already has the power under clause 17. Whether or not it writes out something by way of rules under clause 7, it still has the power.

Mr. Martin (Essex East): I think the point the Leader of the Opposition makes is worth pursuing. There is no doubt that under clause 17 the board may review a decision it has already made, but there is no power inherent in clause 17, and certainly there is nothing directly mandatory in clause 7, that would permit an individual who feels that he has been aggrieved, or a company which feels that it has been aggrieved, to go to the board and say, "We would like you to review this matter". The board, while it has the power to review the matter, could very well take the position, "Well, we do not intend to review it"; the individual might say, "Well, here is further evidence", and so on. I do not feel that I know enough about this particular problem, but theoretically I can see an objection to the clause as drawn which does not allow an appeal. I will admit there is some difficulty, in that we would be asking the board to appeal its own decision.

Under clause 18 we can go to the supreme court, a new body altogether, but there the appeal is on a limited basis. Is it the government's intention to permit an appeal or a review by the board at the insistence of an applicant? That really is what it amounts to.

Mr. Churchill: Well, we considered this very carefully, and the arguments advanced by the hon. member we have similarly considered, but on another occasion. We feel that this is satisfactory. The board has the power here to review, but we have not

made it mandatory on the board to consider any complaint raised by an individual, which could conceivably make for endless delay in dealing with matters which come before the board. Obviously this is intended to give the board an opportunity to consider any mistake which may be drawn to its attention, and I think it fully protects the rights of individuals.

Clause agreed to.

On clause 18—*Appeal to supreme court.*

Mr. Robichaud: This clause has to do with appeals to the supreme court. Subclause 1 reads:

> An appeal lies from a decision or order of the board to the supreme court of Canada upon a question of law, or a question of jurisdiction—

I realize that this is similar to the terms of section 53 (2) of the Railway Act. However, it might be pointed out that the power of the governor in council to vary or rescind an order of the board of transport commissioners has not been provided in this case as it was in section 53, subsection 1 of the Railway Act, which reads:

> The governor in council may at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the board, whether such order or decision is made *inter partes* or otherwise, and whether such regulation is general or limited in its scope and application; and any order that the governor in council may make with respect thereto is binding upon the board and upon all parties.

This part of the Railway Act, as I said, is not included in this clause. I might also refer to statements which were made during the debate on second reading. I do not want to quote them in full but, as found on page 3987 of *Hansard*, the hon. member for Edmonton West suggested that he would prefer to see acceptance of the principle of the right of appeal with respect to tolls and tariffs, that is, the setting of tolls and the revocation and variation of tolls and tariffs.

Then, as found on page 4040 of *Hansard*, the hon. member for Calgary South also suggested that perhaps it might be well to suggest to the government that they review the method by which we could give some right of appeal to the consumer and the industry to determine whether or not the board were being completely honest in making their assessment of what is considered a fair and reasonable rate.

Again, as found on page 4087, the hon. member for Calgary South interjected during the speech of the hon. member for Skeena and said that what he wanted in the bill was the right of appeal. In fact it was reported in *Hansard* as "repeal" and the hon. member corrected it the following day to read "appeal". I should like to have the minister's comment on this clause of the bill.

Mr. Churchill: We gave very serious consideration to the subject matter which the hon. member has drawn to the attention of the committee. Our judgment was that the way we have set it out in the bill would be a satisfactory method of dealing with these problems of appeal. We considered the Railway Act, and we have had experience with regard to the type of appeal which emerges from the method outlined in that act. We considered that the new board, dealing as it will with highly complicated and technical matters, should have its findings thereon considered to be conclusive. Other matters of law and jurisdiction are, of course, dealt with in the normal manner.

As we have just discussed with reference to an earlier section, the board is empowered to make changes and review its decisions if new evidence is produced on the basis of some complaint by an individual, and we feel that in matters as highly technical as those which are involved in dealing with the problems that will face the energy board it would be better and more in the interests of the public if the board's findings of fact were held to be final and conclusive.

Very careful consideration has been given to this question, and we think it should be left in this way. If subsequent experience shows that something more should be done, parliament will have an opportunity to consider the matter. The question has been gone into with the greatest of care and we have concluded that this is a satisfactory method.

Mr. Pearson: I take it that the minister and the government feel, after the consideration they have given to this matter, that there should be no right of appeal written into the legislation but that there is a possibility of appeal or review of the legislation if the board makes such a review possible. The government feels that that is as far as they can or should go at the present time in respect of the matter.

Mr. Churchill: Yes. I would not want the hon. member's words to be misinterpreted as an indication that there is no right of appeal in the act.

Mr. Pearson: No. There is a right of appeal on matters of law but not on the facts.

Mr. Churchill: Law and jurisdiction.

Mr. Martin (Essex East): I do not think we should leave the legislation in this uncertain state. Is it the government's policy that if the board does not wish to listen to an application for review it need not do so; or is it the

intention that the board shall, on request by an applicant for review, be allowed to do so and under the bill that would be made legally possible by a provision in the rules provided for in clause 7 of the bill?

Mr. Churchill: Our whole intention here was to leave this matter entirely to the board. My hon. friend, with his vast experience in the past, will know the difficulties that would be involved if some other method were used, and I am sure he will be inclined to agree that this is the way it should be done in a matter so complicated and technical.

Clause agreed to.

On clause 19—*Orders and decisions final.*

Mr. McIlraith: I want to refer to the first part of clause 19, where it is provided that decisions of the board are final and conclusive. Since there is no appeal on certain of the orders, for instance in the case of tolls, they become final immediately the order is made. There does not seem to be any provision, short of the board rehearing a case of its own volition, for a review or rehearing at that point, and this concerns me a little.

Would the minister care to elaborate on the point? I have no quarrel with the clause as applied to the ordinary cases, but I am somewhat concerned about those cases where there is no right of appeal and no method of obtaining a review other than if the board decides of its own volition to set up regulations that will permit it.

Mr. Churchill: Perhaps I have not followed the hon. member as closely as is required. I thought we had covered that when we were dealing with clause 17. Is it some extension of that to which he is making reference?

Mr. McIlraith: It is an extension of the discussion on clause 17. Subclause 1 of clause 19 is absolute in form. It makes every decision or order of the board final and conclusive. I am concerned that there is no way of amelioriating that position with respect to certain types of orders where there is no appeal, and I have used as an example decisions on tolls. There is no appeal with respect to such decisions, and it might be thought desirable that there should be a rehearing. As I read the bill I find no provision for a rehearing other than the one we have just discussed in clause 17. Nowhere in the bill is there any method of assuring a rehearing or an appeal. That is the point I want to have clarified. I may be wrong in my understanding of the situation, because I am not too certain on the point.

Mr. Churchill: I think the hon. member is correct. The way I would read clause 19 is that every decision or order of the board is final and conclusive except as provided by clause 17, which gives power to the board to review and make changes.

Mr. McIlraith: So that once an order is made there is no way of procuring a rehearing of that application?

Mr. Churchill: Upon request the board, being a reasonable board, would under proper circumstances grant that review.

Mr. McIlraith: But only if the board sets up rules to provide for it?

Mr. Martin (Essex East): When the exchequer court hears a matter that arises out of certiorari or by mandamus, there is no review of the facts apart from questions of law?

Mr. Churchill: No, they would not deal with the facts.

Clause agreed to.

Clauses 20 and 21 agreed to.

On clause 22—*Board to make continuing studies and reports.*

Mr. Dumas: Mr. Chairman, this clause 22 is entirely new. It imposes upon the new board two duties. The first is that the board shall study and keep under review matters relating to the exploration for, production, recovery, manufacture, processing, transmission, transportation, distribution, sale, purchase, exchange and disposal of energy and sources of energy within and outside of Canada. The second duty is that the board shall prepare studies and reports and shall recommend to the minister from time to time such measures as it considers desirable in the public interest for the control, provision, conservation, marketing and development of energy and sources of energy.

At this point I should like to mention the fact that it may not be objectionable to entrust these advisory functions to the board. However, I wish to emphasize that a relatively small part of these activities fall within the jurisdiction of the parliament of Canada. The major responsibilities in this field, as we know, lie within provincial jurisdiction. I should like also to point out that of those activities which do fall within the jurisdiction of the parliament of Canada, few are really under the authority of the board.

I should like to ask a question of the minister, and I think he will be able to supply the answer. Did the minister make a study of all the departments or other agencies having something to do with energy or sources of energy? The second part of my question is, if so, how may agencies and branches of

departments have something to do with energy or sources of energy? We should like to have this information if it is at all possible.

Mr. Churchill: We did make a study, and I shall produce it in just a minute. I have a list of these other bodies that have an interest in energy matters. I cannot lay my hands on that just at the moment, but certainly a little later I can give that information to the hon. member.

Mr. Dumas: Will the minister allow this clause to stand, then?

Mr. Churchill: Oh, yes, that is quite agreeable.

The Acting Chairman (Mr. McCleave): Is it the wish of the committee that the clause be allowed to stand?

Some hon. Members: Agreed.

Clause stands.

On clause 23—*Publication of studies and reports.*

Mr. Bourget: This clause has to do with the publication of the studies and reports mentioned in clause 22. Now, if we look at the report of the royal commission on energy, recommendation No. 8 (b) and (c), we see that the commission recommended as follows:

> 8. That the national energy board shall have authority:
>
> (b) To give advice and make recommendations with reference to any matter relating to energy or sources of energy to any minister or to any board or agency constituted under the authority of any act of the parliament of Canada or at the request of the Minister of Trade and Commerce to any board or agency constituted under the authority of the legislature of any province.
>
> (c) To compile, study and review the statistics and estimates of the quantity, quality, location and availability of the various forms of energy and sources of energy in Canada so that the board may maintain an up-to-date inventory of Canada's energy resources.

This recommendation of the royal commission envisages that reports and studies containing such information will be of great assistance to the public in general, and particularly to those who are interested in questions relating to energy. In addition, Mr. Chairman, I think this board has the powers of a royal commission, and a royal commission always publishes its reports. The same practice is followed by the restrictive trade practices commission, so I feel sure the minister would have no objection if this clause were amended, because I am certain the minister does not want to have another series of hidden reports.

I should like to move, therefore:

> That clause 23 be amended as follows:
>
> That the word "shall" be substituted for the word "may" and that the words "with the approval of the minister" be deleted from the clause.

Mr. Churchill: I am interested in the remarks of the hon. member, which were helpful, and were marred only by the use of one sentence in which he said that I would not likely want to have another series of hidden reports. I have had no hidden reports. The hidden reports were on that side of the house.

Mr. Martin (Essex East): What about the Minister of Labour on unemployment insurance?

Mr. Churchill: I have had nothing to do with hidden reports, except through complete misrepresentation of facts on the part of my friends who are not sitting here on the floor of the house.

Mr. Bourget: We want to prevent that; that is the purpose of the amendment.

Mr. Churchill: This is one of the important duties of the energy board, to study and review in order that they may give advice and make recommendations on matters relating to energy and sources of energy. We have discussed this at the resolution stage and on second reading. We examined very carefully recommendation No. 20 of the Borden commission, and we did not accept all of it with regard to the publication of these reports. It is for that reason that we worded this clause 23 as it is worded, that such studies and reports of the board, made under this part, may be made public with the approval of the minister.

This does not limit the board; the board may make its investigations and carry out its proper functions. Some of the subjects listed for study might quite rightly include matters which the provinces consider to be subject to their jurisdiction, and the publication of reports simply upon the authority of the board might cause unforeseen difficulties on a jurisdictional basis. Consequently it seemed wiser that reports of this nature should be made public with the approval of the minister.

I think it would be quite wrong to make it mandatory for the board to publish every subject which they have had under internal review. That would limit the effectiveness of the board. There might be subjects they would want to review and look into very closely which they would feel hesitant about doing if they were compelled to publish their findings on some matter where perhaps confidential information had been obtained, or on a matter which went beyond the jurisdiction of the energy board. So with all these facts taken into account, as well as others which

might be stated, we considered it advisable to word the clause as it has been worded and we are not in a position to accept the amendment proposed.

Mr. Argue: Mr. Chairman, we think the case which is being made to have these reports made public is an excellent one. We think it is a great mistake for the government and the minister to take the attitude that the reports which are made by this board, which is set up by parliament and paid for by parliament should be handed to the minister and that the minister himself should decide whether or not they should be made public.

Matters that the board can undertake for study, of course, embrace a very wide field, but I would say it is a field which should be disclosed, an area where the light of day should be let in. They may make studies as to the recovery, manufacture, processing, transmission, transportation, distribution, sale, purchase, exchange and disposal of energy and sources of energy within and outside of Canada. I think this is public business. When the board of transport commissioners hear evidence as to rates, all the evidence is taken down and it is available to the public. The studies the board of transport commissioners have been recently making into the equalization of freight rates have also been published, and we feel the government should not be taking this power to cover up and conceal reports that properly should be made public.

The amendment which is before the house is acceptable to us. However, we had an amendment drafted in somewhat different terms. With great respect to the legal advisers of the official opposition I, as a farmer, would say that this amendment drafted by non-legal people is a superior one. It would read as follows:

> That clause 23 be amended by deleting the words "may be made public with the approval of the minister" and substituting the following:
> "Shall be laid before parliament by the minister within 15 days of their completion, or if parliament is not then sitting on any of the first 15 days next thereafter that parliament is sitting."

This, of course, would nail the government down to a specific date.

The Acting Chairman (Mr. McCleave): Order. We are now discussing an amendment moved by the hon. member for Levis, not the English or other merits of another potential amendment.

Mr. Argue: Mr. Chairman, that is hardly a point of order, because I am advancing a suggestion as to how the amendment now before the house could be improved, and I think it is very much in order. I go one step further than the amendment, because the amendment says the minister shall make it public. We say not only should it be said that the minister shall make it public, but that parliament itself should detail by what means it shall be made public and within what limits.

This amendment, of course, is taken from many statutes, and would require that within 15 days of the meeting of parliament all reports in the hands of the minister at that time shall be laid before parliament, or if parliament is in session, then within 15 days of receipt of the report it shall then be made public. We feel that nothing but good can come from having these inquiries made public. We think if the people of this country themselves could learn from time to time of the fabulous profits which are being made in this industry, the public opinion which would be brought about because these reports had been made public would exercise itself and would result in lower rates.

The minister has said that if the reports were to be made public it would narrow the scope of the board and would make it more difficult for the board to make certain inquiries. I would say that the board would be in a much stronger position if it knew that the reports it made would be made public and would not just gather dust in some of the recesses of the minister's office, and that many many hours of very hard work would be wasted because the minister did not have time to give full consideration to the reports. If the studies on these public questions outlined in clause 22 are to be made public, we feel that there should be written into clause 23 not only that the reports be made public but that they may be made public within 15 days of the meeting of the House of Commons.

Mr. McIlraith: Mr. Chairman, I want to deal with the argument advanced by the minister. He referred to the Borden commission report, paragraph 20, and I would point out that we are back at the difficulty we discussed last night. The Borden commission report merely provided that the board should have authority to do certain things; it was a permissive section. The scheme of clause 22 of the bill is, as to subclause 1, that it is mandatory on the board. The bill before us makes the board a court of record, and I thought the minister's argument was rather dangerous in that he was putting forward the proposition that the reports of a court of record were not to be made public. I think he really extended that argument much further than he intended. The extent of his argument, so that it could have any applicability at all, would be to reports under clause 22(2) and not under clause 22(1). It is a distinction upon which I would like a little more elaboration.

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

Mr. McIlraith: Yes.

Mr. Churchill: The hon. member is aware of the fact that I was discussing the advisory functions of the board, and that nothing I said had any relation to its operation as a court?

Mr. McIlraith: Yes, I am very well aware of that. I am talking about the advisory functions under clause 22, and the studies and reports under that clause.

Mr. Fulton: It is not a court of record in that respect at all.

Mr. McIlraith: The very point I made last night was that it is a court of record here; and that is the way it will read—regrettably, in my opinion. This is the point I raised earlier, as I think the minister will agree, with regard to clause 10(1). The contention, then, is that the studies and reports of a court of record should not be made public. Surely that is going beyond what the minister intended to argue.

Mr. Churchill: I am sure I did not say that. I certainly did not intend to do so.

Mr. McIlraith: The point I wish to make is this. We have charged this board with making these studies and reports. The parliament of Canada has given the board this responsibility. They are not in any shape or form confidential reports to the government, so this question does not arise with respect to them. Surely then, unless the minister has some other argument to address to this point, they should be made public as are any other documents prepared by a public board under its statutory authority.

It is one thing to argue that confidential reports obtained for the use of the government should be confidential, but that was not the point raised by the minister at all; and that point, if it were raised, could only be applicable to subclause 2 of clause 22. It seems to me the reports should be published in the same way as the reports of royal commissions, and that parliament should have a right to them as it has a right to any other public study. The minister has no discretion to decide whether or not parliament should have such documents, and I am curious to know why he wants to have a discretion of this kind with regard to the type of report we are considering.

Mr. Lambert: Might I answer a couple of the points which the hon. member for Ottawa West has made? I think the purport of clause 22, subclause 1 is that the reports are made to the minister and not to parliament. That is quite clear.

Mr. Martin (Essex East): All reports are. They must be.

Mr. Lambert: In this case they are not reports to parliament, they are reports to the minister. On this question of publicizing studies I suggest to members of this committee that there might well be very many areas in which the government might require the board to make certain studies of a confidential nature, and one does not have to go far back into history to find an instance of a similar body which had studies of this nature under its jurisdiction. If this body had been required to publish its reports as required by this amendment the area in which the government was moving would inevitably have been indicated. I feel that in the interests of security alone, to cite only one example, a mandatory requirement that all reports be published would be most unwise.

I suggest, further, that the board might make confidential inquiries from certain organizations, and that this amendment if accepted would immediately destroy this basis of confidence. Thus I believe that the amendment goes much too far and would involve us in a great deal of difficulty.

Mr. McIlraith: Would the hon. member permit a question in order to clarify the latter part of his argument? Is he suggesting that the reports and studies which the board carries out of its own volition under subclause 1 are confidential? Is it not a fact that such confidential studies for the benefit or advice of the government as he has mentioned would only be undertaken under subclause 2, and that his argument about the reports being confidential would therefore only apply to reports made under subclause 2?

Mr. Lambert: I do not know why a distinction should be made. Certainly those reports made under subclause 2 should fall particularly into the class to which I referred. However, the board could conceivably of its own volition make certain studies the immediate publication of which as required by the present amendment would not be in the public interest.

Mr. McIlraith: What, then, is the purpose of the studies and reports made under subclause 1 if it is not to inform parliament and to inform the public? If the arguments now being advanced are to be accepted, I respectfully suggest that there is none, and that subclause 1 of clause 22 ought never to have been included in the bill.

Mr. Lambert: I suggest that the hon. member might give consideration to one field of study, namely where certain information is gathered in relation to government policy.

Mr. McIlraith: That is under subclause 2.

Mr. Lambert: It could also be under subclause 1. I am sure the hon. member will appreciate my meaning.

Mr. McIlraith: I have never heard it argued before that reports of the kind dealt with in subclause 1 are confidential documents for the use of the government. I cannot recall any similar proposition being asserted. I agree there is an argument with respect to subclause 2 when the government requires certain information in order to formulate policy on certain subjects, but surely the type of study we are considering under subclause 1 is for the benefit of the public, in order to protect the public interest, and for the benefit and information of parliament. I am mystified why government supporters are applying a proposition which might be argued with reference to subsection 2 to the whole of the section.

Mr. Green: May I ask the hon. gentleman this. Suppose this board made intensive studies of atomic energy which is, of course, one of the great energy sources. Does the hon. member for Ottawa West suggest that all these studies should be made public?

Mr. Fulton: Including the recommendations?

Mr. McIlraith: As a matter of fact I think those studies should be made public. I think the atomic energy control board is the body charged with dealing with security matters in the field of atomic energy. Under this bill the energy board is not given responsibility for security matters at all. I think if the minister would look at the legislation on atomic energy he would find that I am correct. This emphasizes an earlier criticism which we were making of this bill, namely that it involves unnecessary duplication. I do not intend, of course, to raise that whole subject now.

Mr. Green: Does the hon. member suggest then, that this board should have no power whatever to study anything having to do with atomic energy which is the subject of security regulations?

Mr. McIlraith: I suggest that this legislation gives the board no power to do so.

Mr. Smith (Calgary South): The hon. member for Ottawa West has asked whether there would be any likelihood of disclosing any information which by its nature should not be disclosed. He referred to subclause 1 and I will read, if I may, the opening paragraph:

> The board shall study and keep under review matters over which the parliament of Canada has jurisdiction relating to the exploration for, production, recovery, manufacture—

And so on. I think we have a neat parallel in the conservation acts of two of our provinces. I am not too familiar with the act in Saskatchewan, but the Alberta conservation board makes reports similar to those here envisaged. It is a body of record and, at the same time, it has certain advisory functions. When the energy board receives, as it no doubt will, the co-operation of industry, much of the information that it will obtain from industry is certainly going to be of a confidential nature, industry having spent considerable money to develop the resources and reserves.

I suggest that one of the ways they will obtain that co-operation is on the assumption that information that is confidential is not going to be made public. I suggest that the parallel of the conservation boards of our two provinces is a good one. Of course they publish reports, but they are not going to publish confidential information of companies competing one with the other.

Mr. McIlraith: The confidential information would not be contained in the report. It would form part of the evidence on which the report is based. There is nothing here providing for the publication of the evidence.

Mr. Smith (Calgary South): I know, but I would have some concern about this, and I think the hon. member will appreciate what I am about to say. Without the discretionary power of the minister there is a risk that the information contained in the minutes, evidence or reports conceivably could become public, and the discretionary power vested in the minister would serve as a safety check.

Mr. McIlraith: Is the hon. member aware how that problem is handled by the tariff board at the present time? They deal with great volumes of confidential information all the time, and all their reports are made public immediately. They have no difficulty whatever on that score. It is an old problem concerning which there is a vast amount of experience. I think the tariff board is the best example I could use to answer the hon. member's argument. The statistical information the board gets from companies is confidential, yet it publishes all it reports.

There is another question I want to ask the hon. member. He made reference to certain parts of subclause 1. What importance does he attach to the words "as it considers necessary or advisable in the public interest" when dealing with the recommendations of the board? If the reports are to be reports of the board as to what it considers advisable in the public interest, surely it should not be discretionary on the part of the minister to decide whether or not the reports shall ever be made available

to the public. Surely that is not the position of the government on this point.

What is the point of setting up a board to report to us on what is necessary or advisable in the public interest if we cannot find out what is contained in the board's report? What is the board to be, a monument of futility? Is it to work and prepare its reports only to have them filed away? What is the purpose of expending this vast amount of money in setting up this kind of organization if we are not to know anything about what it is doing? How are we protected in that way?

Mr. Churchill: Mr. Chairman, when I spoke earlier I believe I incorrectly said or implied that the Borden commission had recommended that such reports as we are talking about should be made public. That was incorrect on my part and I want to make it clear.

In reply to what was said by the hon. member for Assiniboia, or as a result of his remarks, I wish to make it quite clear that what I was talking about was the advisory function of the board. I believe the hon. member for Assiniboia got off the subject and began discussing the functions of the board as a court, the public hearings the board would be holding to receive evidence, and so on. There is no intention at any time of having that type of work of the board not made public.

I believe the hon. member for Assiniboia was attempting to create the impression that some sort of concealment was being considered in this regard. The subject matter under discussion was the advisory function of the board and the type of report it would make from time to time to the minister. We have considered this fully, and though I have listened with interest to the suggestions made by hon. members opposite we feel we cannot accept the suggestions that have been proposed.

Mr. Robichaud: Mr. Chairman, in his argument on the amendment the minister referred to provincial jurisdiction and said the releasing of such reports might interfere with provincial jurisdiction. Subclause 1 of clause 22 clearly provides that the board shall study and keep under review matters over which the parliament of Canada has jurisdiction relating to the exploration for energy and sources of energy within Canada, etc. Would the minister suggest that such matters coming under the jurisdiction of the parliament of Canada should not be made public?

Mr. Winch: I want to follow up on the same argument. The wording of clause 22 is very clear, but what I cannot understand is the apparent contradiction between the attitude expressed by the Minister of Trade and Commerce a few moments ago and that expressed by his parliamentary assistant.

Mr. Argue: Which one?

Mr. Winch: The one who in the last 24 hours has been acting as parliamentary assistant and whispering a great deal into the ear of the minister, and who yesterday sat alongside him and who this afternoon sits behind him. It may be that the shadow is before the sunlight. Because this board is responsible to parliament and under this clause is charged with the responsibility of studying and keeping under review matters coming under the jurisdiction of parliament, why should not every report be made public? There are no considerations of national security as far as I can see.

Mr. Green: Mr. Chairman, may I ask the hon. gentleman a question? Does he not think that the words "within the jurisdiction of the parliament of Canada" might mean within the jurisdiction of the federal government, as distinct from matters coming within the jurisdiction of the provincial government? That is the whole purpose of those words.

Mr. Winch: Why should not the parliament of Canada know all about it?

The Chairman: Order. It being one o'clock I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Chairman: Is the committee ready for the question on the amendment?

Mr. Argue: No, Mr. Chairman. When the committee rose this morning we had heard a number of arguments as to why this amendment should not pass. One of the strangest arguments that we heard was from the Minister of Public Works who said that if the board should undertake an inquiry into atomic energy it was something that would not be published or should not be published. I should like to criticize that statement on two grounds. First of all, I do not think it is the intention of this bill—and the minister can say whether or not this is correct—to have the board inquiring into the field of atomic energy and making reports about atomic energy. The second thing—and this is even more discouraging—is the attitude of the government that any inquiry into the field of atomic energy is something that should be kept a state secret. This is greatly overdone. The scientific

facts about atomic energy are not only available to Canada but to all of the countries of the world. This represents more a state of mind on the part of the government than anything based on any sound argument or any real fact.

Another argument that we have had advanced—this has already been dealt with a number of times; a completely fallacious argument—is that this has to be secret, or the provisions for keeping it secret must remain, because the board might be inquiring into something under provincial jurisdiction. This is a rather strange attitude for the government to take. First of all, I do not know why under clause 22 the board would be inquiring into things that are under provincial jurisdiction because it specifically states that:

> The board shall study and keep under review matters over which the parliament of Canada has jurisdiction—

Why would the board be wandering into the fields of provincial jurisdiction? Then, there is the further qualifying phrase in the same subclause:

> —as it considers necessary or advisable in the public interest—

Surely, these two provisions make it necessary that all of these reports should be made public. We are having a great deal of difficulty I would think, Mr. Chairman, in dealing with this measure because we are getting answers from so many people. The bill is in the name of the Minister of Trade and Commerce. This is what the bill says, but some of the questions are answered by the Minister of Public Works, some are answered by the Minister of Trade and Commerce on the advice of the Minister of Justice who was sitting with him part of the time this morning, and then we have a couple of candidates for parliamentary secretaryships, or potential parliamentary secretaries, competing one with the other and with the minister in the field of answering questions. I do not see why we should be getting replies from parliamentary secretaries who have not yet been appointed.

An hon. Member: They have no right to answer.

Mr. Argue: They cannot answer for the government; they can speak, but when we ask the minister a question and a would-be parliamentary secretary gets up and says "I will answer that", it is hardly a reply from the minister.

The Chairman: We are talking about the energy bill and not about eventual nominations for the positions of parliamentary secretary. It would be appreciated if we came back to the bill.

[Mr. Argue.]

Mr. Argue: Mr. Chairman, I have been discussing the variety of replies, the confused replies and the great difference in those replies. One had atomic energy in the bill and another had atomic energy outside the bill. At one moment we have to be careful to keep those studies secret and hidden because the board may even be inquiring into matters under provincial jurisdiction and the next time we have, of course, the bill itself quoted, which says they have no business inquiring into things which come under the jurisdiction of the provinces because they are to inquire into things that have to do with the business over which parliament has control.

I am rather surprised, that a party that spent such a long time campaigning while in opposition about hidden reports, against secrecy, against the power to cover up matters which should be open to the public, is the very one that is taking these far-reaching powers to keep hidden from the public things which are, in my submission, of a public nature.

I would appeal to the government to give sympathetic consideration to the amendment which is before the committee. Surely on the basis of the limitations of clause 22, clause 23, the one now under discussion, should be amended in such a way as to require the minister to publish studies and reports which have been submitted to him by the board.

The Chairman: Is the committee ready for the question?

Mr. McIlraith: Just before the question is put, would the minister mind answering two questions? He made reference to matters of security under the atomic energy legislation. Will he agree that the atomic energy control board, by the legislation of this parliament, is made responsible for matters of security on that subject? Second, does this legislation give the energy board any responsibility for security matters on that subject?

Mr. Churchill: The hon. member is correct with regard to the security functions performed by the atomic energy control board, and under this legislation the energy board would be careful to observe any security that was required with regard to atomic energy.

I might say while I am speaking that the hon. member for Assiniboia is expressing some surprise. I in turn am surprised that he should be so critical of what has really been a fine display of co-operation on this side of the house. His party is so distraught

with disunity that perhaps he doesn't understand how a party can work together in co-operation, as has been done here.

Mr. Argue: You mean they are all speaking with authority.

Mr. Churchill: They are speaking with an understanding of the subject matter under discussion which has perhaps escaped my hon. friend.

Mr. Argue: I see you are speaking for your colleagues.

Mr. Churchill: My hon. friend is trying to make out that there is some intent to conceal. That is not the case at all. This is just the normal precaution with regard to studies and reports which, as I mentioned before the lunch hour, might infringe upon confidential information supplied by or obtained from companies that are conducting business operations. There is no intention here to impose such strict limitations that nothing that the board studies will be made public. On the contrary, I imagine that most of what it deals with will be published in the interests of informing the Canadian public. This is a precautionary clause which has been introduced into the bill and we like it the way it is.

Mr. McIlraith: I do not think the test merely is that the minister likes it the way it is. In the first part of the remarks which the minister has just made I think he stated the position correctly with respect to atomic energy and really in effect destroyed the argument he made as to any reason for the minister not tabling these reports on the ground that they would invade the field of security as to atomic energy because the responsibility for security on that subject is and remains with the atomic energy control board.

The other argument he made before the noon adjournment about a possible invasion of the field of provincial jurisdiction has been disposed of because the only studies or reviews the board can make are limited by clause 22 to those matters over which the parliament of Canada has jurisdiction. Finally, he put forward an argument on the basis of confidential reports, but I point out that the reports referred to in subclause 1 of clause 22 are not confidential reports. They are recommendations that the board makes of its own volition and which it considers necessary or advisable in the public interest. I do not see that the minister has advanced an argument for rejection of the amendment.

Amendment (Mr. Bourget) negatived: Yeas, 15; nays, 48.

Mr. Pearson: Mr. Chairman, the government has been unable to accept the amendment to clause 23 and its position in that regard has now been confirmed by a vote of the committee. The amendment would have dealt with all reports and studies under all parts of clause 22. But perhaps the government may be able to take a different attitude toward a different type of amendment. As I understand it, the minister said that the earlier amendment was undesirable because it might conceivably result in the publication of reports or studies which conflicted with provincial jurisdiction or might result in making public confidential information. Perhaps that difficulty, if it is one and we do not think it is much of a difficulty, could be removed if the amendment in respect to publication were restricted to clause 22, subclause 1, because, whatever may be the intent of subclause 2, there is no question that in subclause 1 studies and reports are only made by the board on matters within the jurisdiction of the parliament of Canada. That is so stated in that subclause. Furthermore, there is no question of reports or studies being made under that subclause except on the initiative of the board itself, not on the request of the government. So by limiting the amendment to that subclause that particular difficulty should be removed.

As to the other alleged difficulty respecting confidential information, again that does not seem to me to apply to clause 22 (1). There is no question of confidential information being made public by reports initiated by the board any more than there is a question of such confidential information being made public by the reports initiated and made by the tariff board, all of which are made public. Therefore perhaps the government's difficulty in regard to altering this part in order to give publicity to those studies, which surely is desirable, might be removed through an amendment which I have much pleasure in moving as follows:

That clause 23 of the bill be amended by striking out the words "this part may" and substituting therefor the words "clause 22 (1) of this bill shall", and by striking out the words "with the approval of the minister."

Clause 23 would then read:

Studies and reports of the board made under clause 22 (1) of this bill shall be made public.

Mr. Lambert: What about those under clause 22 (2)?

The Chairman: Is the committee ready for the question?

Mr. Martin (Essex East): Is the minister not going to say something in answer to the suggestion made by the Leader of the Opposition?

Mr. Churchill: Mr. Chairman, I appreciate the fact that hon. members want information, which I am prepared to give at any time, but this appears to be simply a debate along similar lines to the one that was carried on before the lunch hour, and I think all the facts have been covered.

Mr. Pearson: Obviously the minister has not understood the amendment because the debate before the lunch hour and subsequent to the lunch hour, which has been concluded by the vote just taken, was a debate on a proposal to change clause 23 to make it obligatory for the government to publish all reports and studies under subclauses 1 and 2 of clause 22, not only reports made by the board on its own initiative but reports and studies made by the board at the request of the government.

The purpose of this new amendment is to remove the government's objections put forward to the effect that these reports might be of a confidential character or might be on a subject within provincial jurisdiction. Now that kind of objection cannot be taken to clause 23 as amended because it relates only to clause 22 (1) and in 22 (1) reports can only be instituted by the board on subjects within the jurisdiction of the federal parliament. They could not be confidential in the sense that they could not be published, any more than the reports of the tariff board are confidential. Surely, the minister would have something to say on that.

Mr. Churchill: If my hon. friends want to debate the subject at length, I am quite prepared to do so. However, I understood that they were hoping to get along with reasonable speed, and they have been very cooperative. I have no reluctance whatever about entering into the debate.

Mr. Martin (Essex East): I quite appreciate the minister's position. Can he tell us what reasons he has for not accepting the amendment offered by the Leader of the Opposition which only refers to clause 22 (1). The minister is safeguarded on the matter he raised earlier because clause 22 (1) provides that the board shall report from time to time to the minister and shall recommend to the minister such measures within the jurisdiction of the parliament of Canada as it considers advisable in the public interest. This part still remains in 22 (1) and, in so far as the objections raised this morning by the minister are concerned, that safeguard is there. What I am asking the minister is, can he tell us what reasons he would have for not agreeing to this amendment.

[Mr. Martin (Essex East).]

Mr. Churchill: I do not accept the hon. member's conclusions that the arguments advanced this morning do not still apply to clause 22 (1). However, it seems to me there is a considerable difference between subclause (1) and subclause 2. Subclause 2 deals with formal studies and formal reports which would be documents presented to the minister for consideration. Subclause 1 suggests that the board shall study, but it does not say they will prepare long, documented studies. It says they shall study and keep under review certain matters and they shall report from time to time to the minister. This could be done by virtue of verbal reports such as one receives all the time from officials and from bodies such as this. Similarly, the board could recommend to the minister verbally that various measures should be considered.

Subclause 1 does not deal with the type of formal studies and reports that are mentioned in subclause 2. I think on that ground the argument of my hon. friend is extraordinarily weak, and the amendment would not achieve the objective that they have in mind in any case. This is the way I see the problem, and I do not see that there is any advantage in pressing this amendment. I do not see that it will assist in any way to improve the act. The board will be a competent board and the information that needs to be brought to the attention of the public in the national interest certainly will be because that is the policy of this government. This is not a subject in which there is any concealed activity to be expected. The whole purpose is to advance the interests of Canada through the functioning of an energy board dealing with this immensely important subject of energy. We hope this advancement will take place through that medium.

Mr. Martin (Essex East): The minister has not really made out a very strong case. It is true that the board, pursuant to the powers given to it under clause 22 (1), is not called upon to make written reports. Some of its reports, as the minister has indicated, may be oral. In that event, of course, the only way by which information could be given out would be by interrogation in this house, by voluntary statement in the house or outside by the minister.

But if the board is going to discharge its functions under clause 22 (1), namely study and keep under review matters over which the parliament of Canada has jurisdiction, and make reports thereon, it is quite conceivable, as the minister admitted, that there would be reports which could be tabled in this house. There is the safeguard that they

are not to be tabled unless it is thought by the minister to be in the public interest to have them tabled.

The minister, as a lawyer, knows that what is said in these debates will not assist in any way those who have to interpret what this clause means after the bill has become law. The courts, in interpreting these clauses, are not permitted, under the rules of evidence and interpretation, to ascertain the meaning of a clause by observing what took place at the time the particular clause was adopted in the legislature. The good intentions of the minister, therefore, will not help future litigants or others concerned.

In any event while the minister himself may have the best of intentions and may intend that written reports shall be tabled provided they are not contrary to the public interest, he is not a unique creation of the Creator endowed with immortality, in terms of his person and in terms of his particular tenure. Next week he may become the minister of external affairs, for instance; I do not know. His successor is not likely to have the same good intentions that my hon. friend has. I suggest to him that while I appreciate, as one who has piloted measures through parliament, the reluctance of a minister to see his own special creation emasculated beyond the proportions that he, himself, had devised, I suggest to him that the suggestion made by the Leader of the Opposition, which really represents a compromise from the original amendment, is one to which the minister, in pursuing his present interest, ought to accede.

The minister would, I am sure, facilitate the passage of this and other clauses if he readily acknowledged that there is real merit in this suggestion, and accepted it in the spirit which I know animates him as he pursues this very heavy project.

Mr. Pearson: The minister's argument that you can really trust us, or rather you can really trust me, has no real validity in application to this legislation. If, for the sake of argument, we can trust the government, they are not immortal as my hon. friend has pointed out. If we carry the argument to even more extreme lengths and assume a situation where they are not in office and my hon. friends on my extreme right are in charge of the government, and this legislation is on the statute books—

Mr. Argue: We would make it public.

Mr. Pearson: I am carrying the argument to extreme lengths—we see where this argument might lead. If we had a C.C.F. government in power, we might never get reports at all.

Amendment (Mr. Pearson) negatived: Nays, 62; yeas, 20.

Clause agreed to.

Clause 24 agreed to.

Mr. Churchill: Mr. Chairman, I think as we are coming to the conclusion of part II, may we revert to clause 22, because I had a question to answer on that clause asked by the hon. member for Villeneuve.

The Chairman: Is the committee agreed that we revert to clause 22?

Some hon. Members: Agreed.

On clause 22—*Board to make continuing studies and reports.*

Mr. Churchill: The question which was asked me was with regard to possible duplication of effort, and I think reference was made to recommendation No. 18 of the Borden report. That recommendation reads as follows:

> That such divisions or branches of the various departments of the government of Canada now concerned with oil and natural gas related matters and whose responsibilities would properly come within the jurisdiction of the national energy board be transferred to its jurisdiction.

The question concerned the number of divisions within government circles which would have some responsibility to these and related matters. It was considered rather difficult to express a transfer of these functions in legislative terms and that after the energy board was set up the departments which were concerned with studies similar to those to be conducted by the energy board would review their position and see whether or not their activities would be curtailed in any respect. I had a search made of the various departments of government and crown corporations that have some work going on related to that which will be undertaken by the energy board, and if the committee would like a list of them I am quite prepared to give it. They are arranged alphabetically.

First of all there is, as has been mentioned, the atomic energy control board. Then Central Mortgage and Housing Corporation, which does research and standards on domestic heating. The defence production department on its purchasing side has something to do with sources of energy. Then there is the dominion bureau of statistics, naturally. The external affairs department has a function to perform, or at least an interest in the licensing function of the national energy board, where international movement of energy and energy sources is concerned. The finance department naturally has an interest in the national energy board, but not in the research side of it. The

international joint commission, as was mentioned in the Borden commission report, will be doing work which will be of interest to the national energy board concerning the export of electricity. The mines and technical surveys department indicates considerable activity in fields which are related to those that the energy board will be surveying.

The national defence department is concerned only with regard to the question of fuels for their purposes. The national research council does quite a bit of work with regard to building research which has to do with heating appliances. Of course, the national revenue department exercises control with regard to imports and exports under its customs and excise division. The Department of Northern Affairs and National Resources is active in research matters on energy and requirements through its economics division, water resources branch, and mining and lands division. The northern Canada power commission puts forward policies regarding production of power in northern Canada and the maritimes. The Northern Ontario Pipe Line Crown Corporation might perhaps be considered as an interested party here. The tariff board would be interested in policy matters regarding import controls.

The Department of Trade and Commerce has its energy studies branch, a branch which has been largely responsible for the immense amount of work which had to be done prior to the introduction of this bill. The standards branch is interested in the export of electrical power and exports and imports of gas. The chemicals division of the commodities branch has an interest in petrochemicals and oil and gas; and of course the department generally in connection with external trade. The board of transport commissioners, as I mentioned in the earlier stages of the debate, will transfer its duties to the national energy board and be concerned only with instances where pipe lines cross railway lines. The Department of Transport will obviously have an interest in matters of transportation of energy and sources of energy when consulted by the national energy board.

Those are the areas in which there might be some duplication of effort, but chiefly I would think it would lie in the work now being done by the mines and technical surveys department and the northern affairs and national resources department. I think if any overlapping will occur, it will occur there. Experience will show to what extent some of that work might be continued under those departments, and what part of it might rather be performed by the national energy board and the information obtained by that board made available to these departments which are interested.

[Mr. Churchill.]

Mr. Dumas: Mr. Chairman, the minister has answered by giving a long list of departments and agencies which are concerned with energy and sources of energy. That shows there may be a duplication, as the minister has said, and I think we should try to avoid this.

The minister said before, I think in the debate on second reading, that it was not the intention of parliament to incorporate those agencies in this new organization, and we are all in favour of that. We want the board to operate separately and we want some other agencies to operate separately. The question is how much duplication there will be, how much expansive operation there will be due to the fact that this board is authorized to do research and investigation, and so on, on all matters concerning energy and sources of energy.

I think this should be clarified. For instance, how would the dominion coal board be related to the energy board? This we should know, because coal is a source of energy. We should also like to know how the international joint commission will be related to this new board, and how the atomic energy control board will be related to this new agency. What about the water resources branch of the Department of Northern Affairs and National Resources and any other departments which are concerned? I think this should be clarified, and for this reason I wish to propose an amendment to clause 22 subsection 1 which reads as follows:

That subsection 1 of clause 22 be amended by addition of the following words in line 20 after the words "sources of energy":

"for which the board has regulatory responsibility."

Mr. Churchill: I appreciate the hon. member's interest in this matter and his desire, which coincides with our own, that there shall be no unnecessary duplication of duties and, as a result, added expenses. I am pleased that the hon. member introduced the word "regulatory", because there is a sharp distinction between the functions of the board in its regulatory and in its advisory duties. Here we are dealing with the board's advisory functions, and if this amendment were accepted those advisory functions would be restricted to areas in which the board has regulatory responsibility, that is, electricity, gas and oil.

Our conception of the advisory function of the board is much wider than that. We are hoping that the national energy board will keep under review all the sources of energy in this country and that its review would range over the entire field. This would not interfere with the work presently being done by the dominion coal board—we gave that

careful consideration—nor would it interfere with the work of the other bodies which have been mentioned. The energy board would, for example, draw upon the information available to the dominion coal board in order subsequently to advise the government and thence parliament as to the part coal would play in the over-all picture of the use of the energy resources of this country. Similarly, the entire field of energy would be subject to study and review by the energy board without interference with duties now being performed by the dominion coal board or Atomic Energy of Canada Limited, the research council and so on. Surely hon. gentlemen opposite will agree that the information available from these bodies should be studied by the national energy board which would consolidate that information, review it and, on that basis, make recommendations and give advice.

Mr. Pearson: I can appreciate the point which the minister is making, but inevitably the information which he has just given us does show the variety of government agencies engaged in these fields of energy and underlines, surely, the danger of duplication and overlapping with resultant confusion and, perhaps, unnecessary duplication and expense. The minister is no doubt aware of the operation of Parkinson's law as applied to government procedure and there is the danger—and it is a human danger—that the new energy board when set up will be subject to the temptation to carry on its investigations and researches into every field of energy, because that is what it is authorized to do by clause 22(1). There is no limitation on its activities. The men responsible for this board will be men of ability and initiative, and they will naturally wish to extend their researches into all fields of energy. That, surely, involves the danger of duplication, because there are boards which have been operating in this field for a long time, charged with duties which they have been carrying out effectively.

We have been concerned about this danger as, no doubt, has the minister himself, and if the amendment which we have suggested is not considered suitable for the purpose I wonder what steps the government visualizes as being suitable? Will the energy board be given supervisory control over all researches in this field or is there to be an intergovernmental committee which will include representatives from all the main bodies to ensure that duplication of effort and expense will not take place.

Mr. Argue: This is a restrictive amendment. What the official opposition is endeavouring to do is to restrict the powers of the board, even its advisory powers, its ability to make inquiries. The opposition wishes to restrict the board even in this respect to the very narrow field over which it has regulatory responsibility. What they are really trying to do is to prevent the board from obtaining the knowledge of the broad field of energy in this country which is essential to the making of intelligent decisions on the particular types of energy over which the board has regulatory responsibility. I may be wrong, but I can imagine a great development of atomic energy in this country—atomic energy becoming economic and more widespread in use—and the board then having to decide whether or not a great many gas and oil pipe lines should be built across this country.

Mr. McIlraith: In such an eventuality is this situation not taken care of by subclause 2 of clause 22?

Mr. Argue: I think that clause says that the minister shall make these requests.

An hon. Member: It would be for the minister.

Mr. Argue: All of a sudden the members of the official opposition have great faith in the minister. For a while this morning they were very cautious about him and careful that his jurisdiction should be well defined. They did not want him to have hidden reports. Now they say he has enough power; that the power he has under paragraph 2 is such they would like him to restrict the powers of the board and weaken the knowledge it has with regard to energy matters other than those over which it has regulatory responsibility, making the board dependent upon the minister making a decision under subclause 2. I think that the opposition in advancing this argument have advanced it because they wish to advance a great many amendments. At a previous stage of this debate, to which I may refer only briefly, they were most uncomfortable. They voted for the bill. They got into bed with the government, but then the government embarrassed them by calling a vote on second reading and putting them on record. Now they want to retreat from this very inept decision which they made by trying to show how different they are from the government over matters of detail. In their enthusiasm to show their difference they are really endeavouring to restrict the knowledge of the board and therefore its effectiveness. We in this group have consistently advocated those things that we feel would enable the board to do a comprehensive job, to have adequate powers and not be interfered with or dictated to by the minister. We therefore feel that this restrictive amendment should not be supported.

Mr. Pearson: Mr. Chairman, we do not feel at all uncomfortable about this and the other amendments. Unlike my hon. friends to my immediate right we are not content to make wild, general and vitriolic statements on second reading designed to attract the attention of the press. Second reading is over and we are now dealing with the provisions of the bill. As an opposition should, we have studied these provisions and are providing amendments designed to make the bill a better one.

Mr. Argue: Others have read it for you, you mean.

Mr. Pearson: Procedure of this kind may not get into the headlines or attract the attention that these large and histrionic speeches do on second reading—

Mr. Argue: Excellent headlines.

Mr. Pearson: —but the course we are following is a constructive approach to the consideration of legislation. I hope the hon. member for Assiniboia will offer his helpful support to those provisions which he feels he could support and I trust he will vote against those which after careful study he feels he cannot support.

Mr. Argue: That is exactly what I have been doing. I will vote against it.

Mr. Pearson: After these introductory remarks I may say I do not think the point made by my friend the hon. member for Assiniboia is very well taken because the amendment in question would prevent the duplication of investigatory work. That is all we are seeking to do. If the investigatory work of the board as this amendment suggests is restricted to the functions given to the board by regulation we may be certain that the investigatory work of other boards will be similarly restricted and will result in a saving of unnecessary investigatory work. Therefore, without placing a restriction on the work of this board or any other energy agency, through the acceptance of this motion we will help prevent the duplication that sometimes makes for inefficiency and always makes for expense.

(Translation):

Mr. Dumas: Mr. Chairman, I think the hon. member for Assiniboia (Mr. Argue), is talking nonsense. What we want is to safeguard the standing of existing agencies.

I think the dominion coal board will feel encroached upon, and a loss of prestige, if this new board is allowed to consider all problems relating to coal. So would all other agencies, and that is what we want to avoid.

Now, Mr. Chairman, the hon. member says we did not bring this up on second reading. If the hon. member will go over the speech I made then, he will find that a substantial part of my remarks dealt with this matter, and he should take due note of this fact.

That, sir, is our reason for moving this amendment, to maintain the prestige of agencies which have to continue their work. The Minister of Trade and Commerce (Mr. Churchill) did say that they would continue to work as in the past, and we concur in the government's views in this respect.

(Text):

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Dumas) negatived: Yeas, 15; nays, 65.

Clause agreed to.

On clause 25—*Who may construct or operate pipe lines.*

Mr. Pearson: Mr. Chairman, I often regret the inability of my untutored layman's mind —I am not even a law student—to follow the complexities and subtleties of legal language, but there is something in this clause I do not understand and no doubt the minister will be able to explain it to me. Clause 25 (1) reads as follows:

> No person, other than a company, shall construct or operate a pipe line.

In the definitions outlined in clause 2 of the bill, subclause (c) reads:

> "company" means a person—

I wonder if the minister will explain that.

Mr. Churchill: I appreciate my hon. friend's grave difficulties. I recall some of the struggles I went through such as the hon. member for Bonavista-Twillingate is now enduring. In reading the interpretation clause you must not stop at the word "company". The full sentence reads:

> "company" means a person having authority under a special act to construct or operate pipe lines.

Mr. Martin (Essex East): At first when my leader was raising this point I thought he was going to make a slur on the minister's profession and mine but he carefully avoided any suggestion along that line and asked a perfectly proper question, how we should reconcile the words "any person" in clause 25 (1) to the definition in clause 2 (c).

I should like to ask another question on clause 25 (1). The clause says that no person other than a company shall construct or operate a pipe line. Does that mean that no one can hope to obtain a licence to construct such a project unless it is an incorporated company? Does that mean that an individual could not undertake such a project if he wanted?

Mr. Churchill: No person unless he has authority under a special act to construct or operate a pipe line; "unless" is stressed.

Mr. Pearson: I see, thank you.

Mr. McIlraith: I have a suggestion to make at this point. It seems to me that the next 25 clauses are lifted almost entirely from the Pipe Lines Act. It would make for better order in considering these clauses if when they are called the minister would indicate which clauses are taken from the Pipe Lines Act, which are taken from that act but partially changed and which are new.

Mr. Churchill: I will try to do that. Clause 25 (1) is modelled on the first part of section 10 (a) of the Pipe Lines Act as amended. I might go on to say that subclause 2 of clause 25 is based on the latter part of section 10 (a) of the act as amended. Subclause 3 of clause 25 is section 2 subsection 4 of the Pipe Lines Act.

Clause agreed to.

On clause 26—*Operation of pipe line.*

Mr. McIlraith: Perhaps the minister would give an explanation.

Mr. Churchill: Clause 26 has no counterpart in the Pipe Lines Act. It complements clause 25 (1) above dealing with the operation of a pipe line.

Mr. McIlraith: There is something here that I wanted to have clarified a bit. It arises out of our discussion yesterday of this bill in the committee stage. It becomes clear that certain very large interprovincial and international pipe lines are, by the legislation now before the committee, being released from any regulatory control; that is, a class of pipe line of the nature of the one incorporated by special act earlier this year, namely Foothills Pipe Lines Limited, which under the former legislation would be required to come before the board of transport commissioners in order to get leave to construct its line, with all the protection to the public that that might imply. But under the new legislation such a company, if it carries out the purposes expressed in debate by its proponents, rather than merely the things it is authorized to do under its act of incorporation, will not be required to apply to the board for a hearing and a certificate before it constructs its line.

I want a little clarification because I am not too clear in my understanding of that point. I want to point out the implications of that to the committee. When one reads the debates when that special act was before the other place it becomes clear that it envisages construction of a very large pipe line over an international border. Indeed, it may very well be that when they come to that stage it will be a duplicate pipe line, having separated—I am not too familiar with the technical terms—a particular form of gas produced in the area into two forms, and that there will in fact be duplicate lines side by side to take the products off in separate forms. One will come under the regulatory provisions of the act and the other will be excluded from the provision of the act. Will the minister clarify that a bit for me.

Mr. Churchill: Mr. Chairman, I think my hon. friend was incorrect in his statement that the line to which he was referring, which carries sulphur, is not now regulated by the present oil and gas Pipe Lines Act, which regulates company pipe lines transporting oil and gas, and does not regulate a pipe line such as the one to which he refers. The present bill similarly is not taking under regulation that particular pipe line.. Subsequently in the legislation we will suggest to the committee an amendment which would give that and similar pipe lines not transporting hydrocarbons certain other rights that are in this legislation with regard, for example, to the expropriation of lands.

Mr. McIlraith: I want to point out that the definition of oil and gas in the old legislation —I will not rehash this discussion— was considerably wider and it may well be that the Pipe Lines Act would have covered the particular pipe line I have reference to. In any event, there is another control over that under the legislation being repealed. If they are not now under the oil and gas legislation, then they come under the provisions of the exportation of power and fluids act, that other legislation which is being repealed.

Just before this clause carries there is one other question I wish to raise. As I read this now it exempts companies which are not incorporated by special act, and which do not come under the definition of company in this bill and which are now operating pipe lines, from requiring a certificate.

Mr. Churchill: This is intended to carry forward section 10 (a) which is section 2 of

the present Pipe Lines Act. The amendment was made in 1953 and that amendment said:

> Nothing in this section shall be construed to prohibit or prevent any person from operating or improving an extra-provincial pipe line constructed before the 1st day of October, 1953.

Mr. McIlraith: I think the point is a little different.

Mr. Churchill: That referred largely to the line running from Montreal to Portland.

Mr. McIlraith: I think the point is a little different. There are some companies that are not companies within the meaning of this legislation operating pipe lines. There is a distinction between the former legislation and this legislation in its implications for such companies.

Mr. Churchill: Has the hon. member any definite companies in mind that he could name? We do not recall any at the moment.

Mr. McIlraith: I have definite companies in mind; yes, but I prefer not to name them.

Clause agreed to.

On clause 27—*Approval of board.*

Mr. Dumas: I have a point that I wish to have clarified in view of the fact that plan, profile and book of reference are mentioned in this clause. I think this is an exact copy of the Pipe Lines Act.

Mr. Churchill: Section 11, yes.

Mr. Dumas: But it is much different from the Railway Act. Section 170, subsections 1, 2, 3, 4 and 5 mention plans and profiles. They do not mention any book of reference. In the province of Quebec plans and the book of reference can only be certified by the minister of lands and forests. They cannot be certified by the secretary of any board; they have to be certified by the proper provincial authority. I doubt whether this is legal because section 171 of the Railway Act, subsection 7 reads:

> In the province of Quebec the portion of the railway comprised in each municipality shall be indicated on the plan, and in the book of reference, by separate number or numbers.

This could be added to clause 29 but I do not know whether it should not be added to clause 27, in view of the fact that the book of reference is mentioned there, because the book of reference cannot be certified by the secretary of the board; it has to be certified by the provincial authority.

Mr. Churchill: I would be quite content to stand this clause to consider the point brought up by my hon. friend.

[Mr. Churchill.]

Mr. Dumas: When we come to clause 29 it might stand also. I will not press the question but I should like the minister to stand clauses 27 and 29. Maybe his legal advisers can throw some light on the matter.

The Acting Chairman (Mr. MacEwan): Does the committee agree to stand clauses 27 and 29?

Some hon. Members: Agreed.

Clauses 27 and 29 stand.

On clause 28—*Application for certificates; material to be filed.*

Mr. McIlraith: Is this from the Pipe Lines Act?

Mr. Churchill: The Pipe Lines Act, section 12, subsections 1 and 2.

Clause agreed to.

On clause 30—*Effect of approval.*

Mr. McIlraith: Is this from the Pipe Lines Act?

Mr. Churchill: Clause 30 is section 14 of the Pipe Lines Act.

Clause agreed to.

On clause 31—*Time for acquiring lands.*

Mr. Churchill: Clause 31 is section 15 of the Pipe Lines Act.

Clause agreed to.

Clauses 32 to 35 inclusive agreed to.

On clause 36—*Approval of deviations.*

Mr. Dumas: Is clause 36 the same as section 20 of the Pipe Lines Act or is there any difference?

Mr. Churchill: May I indicate here that sections 13 to 19 inclusive of the Pipe Lines Act refer to those clauses up to and including 35. Any that I did not mention as we went along are derived from sections 13 to 19 of the Pipe Lines Act. With respect to clause 36, subclauses 1 and 2 are the same as subsections 1 and 2 of section 20 of the Pipe Lines Act. Subclause 3 differs from subsection 3 of section 20 of the Pipe Lines Act to a certain extent. I have an amendment to be proposed in connection with clause 36.

Mr. Green: I move:

> That subclause (3) of clause 36 be amended by striking out the words "lessening a curve, reducing a radiant, or otherwise" in line 38 on page 12.

Mr. Churchill: By way of explanation I might say that the words it is now proposed to strike out were carried forward from the Railway Act into the present Pipe Lines Act. We have received representations from within

the pipe line industry that these words are not usefully applicable to pipe line construction and that is why we have suggested that they be dropped.

Mr. Martin (Essex East): The important thing is change or alteration.

Mr. McIlraith: There is another point here. I have not the exact reference to the Pipe Lines Act but I understand that there was a limitation on the amount of deviation there could be without filing new plans. That limitation, which was 300 yards, has been taken out altogether. Would the minister explain why that was done?

Mr. Churchill: Yes, Mr. Chairman. Subclause 3 of clause 36 differs from subsection 3 of section 20 of the Pipe Lines Act in that the extent to which a pipe line may deviate from its planned course and still be allowed exemption from the provisions of this section is now discretionary with the board and is no longer a fixed figure of 300 yards. In the past such definite limitations have proved embarrassing when the need to skirt large and unforeseen obstacles has arisen requiring in some cases a deviation of only a few yards more than the maximum limit, and in view of the short construction season in Canada it has been felt that everything possible should be done to avoid unnecessary procedural delays during the actual building of a line. That accounts for the slight change from the older act.

Mr. McIlraith: I point out to the minister that he has put no limitation whatever on it. I can understand the necessity of raising the 300 yard limit but does he not think there should be a limit of some kind? Was any consideration given to that point?

Mr. Churchill: The board, you see, determines the route in the first instance and we thought it would be best left to the board to make that decision rather than to write a limit into the act because experience has shown that when a definite limit is written into the act some difficulty arises.

Amendment agreed to.

Clause as amended agreed to.

On clause 37—*Board may order diversions.*

Mr. Martin (Essex East): Is this from the Pipe Lines Act?

Mr. Churchill: Section 33 of the Pipe Lines Act, and no change.

Clause agreed to.

On clause 38—*Leave to open line.*

Mr. Dumas: Are there any changes?

Mr. Churchill: Clause 38, subclause 1, is identical with section 34 of the Pipe Lines Act. Subclause 2, grant of leave, has no counterpart in the Pipe Lines Act. It gives authority to the board to grant leave to operate and this clause is designed to ensure that all lines are inspected in the interests of public safety before they are opened. That inspection can be carried out in several ways, by personnel from the board, by private engineers who might submit affidavits of inspection to the board, or on the basis of evidence derived from the company that satisfactory tests and inspections have been made. We are leaving it to the board to determine how that evidence shall be obtained.

Mr. McIlraith: There is another point involved. The minister will recall our discussion last night on another clause regarding the use of the term "transportation" as applied to the moving of oil through a pipe line. I will not repeat the discussion that took place on the earlier clause, but he will note that this clause merely uses the word "transmission". Has he considered whether or not the word "transportation" should be added here in the light of the discussion last evening on the other clause?

Mr. Churchill: Consideration was given to this matter after the discussion yesterday and we reached the conclusion that the verb "transmit" and the noun "transmission" might be better than "transport" or "transportation" in instances in the act other than where we first inserted the word "transportation", which was with regard to the definition of a toll. There it was an all-inclusive definition, but elsewhere in the bill such as here the words "transmit" and "transmission" would have their ordinary meaning and include everything that is embraced by "transport" or "transportation". It seemed that perhaps it would be unnecessary to use two expressions throughout the bill when one conveys the meaning that is intended.

Clause agreed to.

On clause 39—*Safety.*

Mr. McIlraith: What is the explanation of this?

Mr. Churchill: Clause 39 is taken from section 35 of the Pipe Lines Act, except that the regulations referred to must now be approved by the governor in council. My statement applies to subclauses (1) and (2), but subclause (3) is not from the Pipe Lines Act. This is the paragraph that provides for penalties.

Mr. McIlraith: I did not catch the explanation for subclause (3)?

Mr. Churchill: Subclause (3) does not come from the Pipe Lines Act, and was introduced here to indicate the penalties for violation of the regulations.

Clause agreed to.

On clause 40—*Leave to construct power lines.*

Mr. Robichaud: This clause has to do with the issuance of a certificate before proceeding with construction of power lines. I understand that it follows the main lines of the Exportation of Power and Fluids and Importation of Gas Act, section 6, subsection (30). This seems to be different in that under the exportation of power act a permit is required, whereas under this bill a certificate is required. Can the minister explain why there is that change?

Mr. Churchill: That is correct; in the Exportation of Power and Fluids and Importation of Gas Act there was a licence requirement. This is now changed to a certificate of public convenience and necessity which makes this provision parallel with other provisions in the bill dealing with gas and pipe lines.

Mr. Robichaud: In order to clarify this clause, may I give an illustration? The New Brunswick Electric Power Commission is exporting power to the state of Maine at certain periods of the year. Will they come under this clause of the bill?

Mr. Churchill: Clause 96 of the bill should be looked at for an explanation of this clause. Clause 96 states that every person who, on the day this act comes into force, is operating an international power line, is entitled to a certificate. This certificate would be issued and would take the place of the licence now in existence.

Mr. Robichaud: I shall want more information about this when we come to clause 96.

Clause agreed to.

On clause 41—*Material to be filed.*

Mr. McIlraith: Clause 41, I take it, is putting into the bill what was in the regulations under the act being repealed?

Mr. Churchill: Yes, and these clauses are running parallel to the earlier sections, 27, 28, 29 and 35 of the present bill.

Clause agreed to.

On clause 42—*Regulations.*

Mr. Robichaud: I understand that this is an entirely new clause which was not covered under the old exportation of power act. Can the minister explain the purpose of this clause?

Mr. Churchill: It is again running parallel with the sections which provide for oil and gas pipe lines and gives the board power to make regulations. It may differ in minor detail from the ones that would apply to pipe lines.

Mr. Martin (Essex East): How can the governor in council or the board in any way give power with regard to the registration of property or the duties of the registrar of deeds, when these matters are within the competence of provincial authorities?

Mr. Churchill: The way it reads, starting in clause 35 and continuing, these phrases are the headings that you will find earlier in the bill and they are just repeated here, the registration of plans, profiles, books of reference, and so on.

Mr. Martin (Essex East): That may be, and my hon. friend probably has a very good explanation, but how can my hon. friend define what are the duties of the registrar of deeds, and so on, with respect to these plans and profiles? Surely only the provincial legislature can set out the duties of the registrar of deeds?

Mr. Churchill: This was provided for in clause 34 with respect to oil and gas, and here we are simply making provision to do the same thing for electricity.

Mr. Martin (Essex East): Yes, I know, and I am not quarrelling with that. I just want to understand the section because it seems to me that any duties that the registrar might have could only come from the authority that is concerned with property and civil rights under the B.N.A. Act, that is the provincial authority.

Mr. Herridge: Can the minister explain how this parliament or the board, with the approval of the governor in council, can make regulations with respect to the duties of the registrar of deeds who is a provincial official and comes under provincial jurisdiction?

Mr. Churchill: This was drawn originally—

Mr. Brooks: I believe that this clause means that the registrar of deeds would receive instructions as to the way in which the plans would be filed or the way the details would be recorded in the book of the registry office. The board would give instructions as to the manner in which the details were filed. I think that is continually done in the provincial offices of the registrar.

Mr. McIlraith: It is probably a technical objection, but this parliament seems to be seeking to interfere with the duties of a provincial official.

Mr. Churchill: I think because of the reference to international power lines this gives the dominion some interest in the matter.

Mr. McIlraith: It gives them an interest, undoubtedly, and gives them the right to regulate international power lines, but not to make regulations as to the duties of the registrar of deeds. There is unfortunate wording here, but I take it the clause is taken from previous legislation that has been in use.

Clause agreed to.

Clause 43 agreed to.

On clause 44—*Issue of certificates.*

Mr. Argue: Clause 44 sets out under what conditions, and for what reasons, the board may, subject to the approval of the governor in council, issue a certificate in respect of a pipe line or an international power line. The board will have regard to the following: The availability of oil or gas; the existence of markets; the economic feasibility; the financial responsibility and financial structure of the applicant, and the public interest that, in the board's opinion, may be affected by the granting or the refusing of the application.

I should like to suggest, Mr. Chairman, that there should be one further condition placed in this clause which would provide for control by Canadians of the companies to which certificates may be issued. This is a proposal that, in the past, has been very dear to the hearts of hon. members opposite, namely that in the construction of gas pipe lines in particular these companies involved should be Canadian companies and should be controlled in this country.

It should almost be unnecessary to set forth the reasons why it is preferable to have a Canadian company. We see to a growing and alarming extent the further alienation of Canadian resources to outside interests and capital. The government has said in this legislation that it welcomes both foreign and Canadian capital; but even if that is the position which the government takes, I think that the interests of companies erecting pipe lines should be Canadian.

For that reason, Mr. Chairman, I would like to move the following amendment:

That clause 44 be amended by adding the following:

"Provided that no certificate shall be issued to an applicant of which less than 51 per cent of the common stock is owned by residents of Canada or by companies deemed by the board to be controlled in Canada."

We remember a previous debate, a particular pipe line debate, in which the position of the government party, which at that time was in opposition, was that the Trans-Canada Pipe Lines Company should be Canadian-controlled. For that reason, Mr. Chairman, because we are interested in having the greatest amount of control by Canadians of Canadian industries and natural resources, we feel that this amendment should commend itself to the house. We have before us the report of the royal commission on energy. It shows to what a very large extent the Trans-Canada Pipe Lines Company is controlled by outside interests. Surely hon. members opposite would agree that this company is an example of the type of company which has the type of control against which we should guard. This provision does not, of course, imply public ownership; it merely states that in the development by private companies of oil and gas pipe lines certificates shall be issued only to companies wherein 51 per cent of the common stock is owned by residents of Canada, or by companies deemed by the board to be controlled in Canada. This would remove Canadian pipe line companies from control by Texas buccaneers or other kinds of buccaneers outside this country. We hope, Mr. Chairman, that the government will give sympathetic consideration to this amendment.

The Acting Chairman (Mr. MacEwan): Is the house ready for the question?

Mr. Argue: Mr. Chairman, I think the committee is entitled to a reply from the minister as to the attitude of the government on this proposition and whether the government thinks it is reasonable or not. Perhaps it likes the general idea. It might wish a different percentage of the common stock in the amendment or might wish it changed in some minor way. But I do feel that the minister owes it to the committee to state the position of the government on this proposition, which they have advocated many times in the past.

Mr. Churchill: I hesitated to intervene at this stage just as I did at an earlier stage this afternoon when my hon. friend was having a spirited exchange with the Leader of the Opposition, and I anticipated my intervention might start it again. However, I have no reluctance to answer the hon. gentleman. We have introduced into this legislation something entirely new, to be found in subclause (d) of clause 44, which reads as follows:

—the financial responsibility and financial structure of the applicant, the methods of financing the line and the extent to which Canadians will have an opportunity of participating in the financing, engineering and construction of the line;—

That latter phrase is new in legislation. The board is instructed by this clause to take full account of those matters, and particularly the opportunity for Canadians to participate. We thought that that was reasonable under the circumstances and that the board,

with this guidance and its public hearings, would certainly be able to discover to what extent Canadians were given an opportunity to participate. Our conclusion was that with that written into the act it would not be necessary to state any specific percentage of stock that should be owned by Canadians. Rather let us wait for some experience in the operation of the board and then we will be guided. I am not suggesting that I have any further action in mind at all. I am simply suggesting that experience is helpful in all these matters, and we have gone a long way here in publicly declaring the policy of the government—and I hope it will receive the approval of parliament—that Canadians will have an opportunity of participating in these operations.

As I say, that is new. It is different from what has prevailed in the past and should provide the opportunities that we all hope there will be for Canadians.

Mr. Argue: Mr. Chairman, my reply to that would be this, that the committee should be entitled to a more definite indication of what the government's policy is as set forth in this clause. I asked that very simple question because of the fact that according to the first line of the clause the board may do certain things subject to the approval of the governor in council. It would seem to me that since the authority of the governor in council is required for the issuance of a certificate in respect of a pipe line or an international power line, the governor in council now must have some idea of what it means by subclause (d) to which the minister has referred, namely:

> —the financial responsibility and financial structure of the applicant, the methods of financing the line and the extent to which Canadians will have an opportunity of participating in the financing, engineering and construction of the line;—

I would say, Mr. Chairman, that as this clause now stands it is very nebulous, and indefinite. It is the kind of legislation that we find this government presenting to parliament more and more frequently. It is legislation that can mean all things to all people. I can imagine some American coming to see the government and asking what subclause (d) means, the extent to which Canadians will have an opportunity. He might easily get the answer, "Well, of course, there have been long debates about this in the past and it reads nicely for some people but we are not going to be very difficult about the extent; we are not really too concerned whether or not Canadians have the chance to obtain a very large proportion of the control of such a company." This is completely indefinite, as I say. The extent might be zero.

[Mr. Churchill.]

There is no guarantee that it means anything more than zero, because there is no definition whatsoever.

One does not even find such a word as "substantially". Merely "the extent to which". And then it goes on: "the extent to which Canadians would have the opportunity of participating in the financing, engineering and construction of the line." Nothing is said about control. Nothing is said about what proportion of the voting stock should be in the hands of Canadians. This very general and inexact clause really does not tie the government to any policy at all. It is so general that it may not carry out even the hint which is provided that Canadians may have some opportunity to participate in the financing, engineering and construction of lines.

As it now reads this is a most unsatisfactory clause. It does nothing to carry out policies which members of the Conservative party advocated when in opposition, because even without this clause Canadians could probably have some opportunity to participate in the financing, engineering and construction of many of these projects. The governor in council, with the requirement that their approval must be obtained before a certificate is issued under this nebulous clause, could completely overlook the need for Canadian participation in financing, construction and engineering, to say nothing about the control of the company involved.

This is the type of loose amendment that we see so often from this government. It is most inexact; it means all things to all people, and the Canadian citizen, reading it, will have no idea what is behind the government's move to include it in this bill. I think we require something more from the minister by way of a definite statement. I should like him to comment on what the objective of the government would be as to Canadian participation in the financing, engineering and construction of pipe lines. Surely the minister owes it to the committee to say whether or not the government feels that Canadians should play a substantial part in the financing of these projects. "Substantial" is a generous word, but it means something more than zero. To what extent will there be Canadian participation in the construction of the line and so on?

Amendment (Mr. Argue) negatived: Yeas, 3; nays, 65.

The Chairman: I declare the amendment lost. Shall clause 44 carry?

Mr. Pearson: This clause is, of course, one of the most important in the bill. There were certain observations made about this

portion of the bill during second reading which seemed to convey a wrong impression of what the clause could or could not do. It was argued by the Prime Minister when he was discussing the powers of the board that this clause ensured that there would be just and reasonable tolls, a matter of great importance. The Prime Minister also argued that this particular clause ensured that profits could not by any stretch of imagination be promoted which would be exorbitant or which would be extraordinarily high. Those were the words he used.

In fact, the clause makes no such provision. I cannot go as far as the hon. member for Assiniboia in arguing that there should be unreasonably restrictive provisions in a clause of this kind, for instance in respect of stock ownership by Canadian nationals. Our position on that matter has been consistent over the years and while we would naturally support any reasonable move which would assure for Canadians a maximum of control over Canadian activities, there are provisions in legislation which would be unnecessarily and unwisely restrictive and which would prevent the very kind of Canadian national development which they might purport to encourage. Nevertheless, while that kind of provision does not seem to us to be wise, to give the impression that this particular clause is an assurance that the board will take certain action and be able to prevent extraordinarily high profits being made or high tolls being charged is not justified by the language of the clause, because as I read it it is purely permissive in character. The words are: the board may do certain things. It is provided that the board shall take into account all such matters as to it appear to be relevant. And without limiting the generality of the foregoing, the board may have regard to various criteria which are set out, and which it may take into account in issuing a certificate in respect of a pipe line.

All this clause does, and we might as well be perfectly clear about it, is to advise the board that there are certain criteria which the legislation specifies which may be taken into consideration. A few moments ago the minister mentioned some of them—financial responsibility and the financial structure of the applicant, the method of financing the line and the extent to which Canadians will have an opportunity to participate in the financing, engineering and construction of the line. There is nothing in this clause which could possibly be interpreted by the board as an instruction to do anything. It is purely permissive in character, and while these may be very useful and a valuable criteria—criteria which the board, no doubt, may take into consideration—it is quite wrong to give the impression as the Prime Minister did the other day that this particular clause will ensure that tolls will not be exorbitantly high or that profits will not be extraordinarily great. I thought I would bring this matter to the consideration of the committee so that there would be no misunderstanding as to the exact meaning of this particular clause.

Mr. Churchill: We were just asking ourselves what was the exact meaning of the remarks made by the Leader of the Opposition. It seemed to us he was getting forward into the other clauses which deal with tolls and tariffs. Here we are simply dealing with the issue of certificates and the considerations that are to be taken into account at the time the issue of a certificate is being considered by the board. Here we have set out the criteria that are necessary for the board to examine. I note that in looking back at the Prime Minister's speech on Tuesday, May 26 he commented upon this and listed the essential elements that appear in clause 44. We feel that this has no relationship to some of the matters to which the Leader of the Opposition has been referring. It is the issue of the certificate after the board has satisfied itself that the company making application is in a position to perform the functions that it considers it is able to do.

Mr. Martin (Essex East): Mr. Chairman, the remarks of the Minister of Trade and Commerce have special reference to the observations made by the Leader of the Opposition. On a strict technical interpretation, part of what my hon. friend has said would have validity but the Leader of the Opposition, of course, was using clause 44 to make a general observation. If he had confined his remarks only to tolls, of course, he would have waited until he had reached part 4 with clauses 50 and following clauses, but he was just making a general observation prompted by the statement made by the Prime Minister as reported at page 4022 of *Hansard* of May 26 in which among other things the Prime Minister said:

> That is one of the most important considerations, the determination of just and reasonable tolls, not tolls that by any stretch of the imagination could permit of exorbitant or extraordinarily great profits without risk being attached—

There is nothing in this particular clause or in any clause of the bill that warrants that statement. That is the gist of what the Leader of the Opposition was saying. He was recalling to hon. gentlemen opposite their observations made on another occasion. We have been looking for an opportunity of ascertaining whether in any clause of this bill there was

any provision that would prevent what hon. gentlemen have so frequently referred to on other occasions. This is the opportunity for them to implement these statements and allegations of another day.

We were told not long ago about the fact that this country economically was gradually, bit by bit, being dominated by another country, that strong steps had to be taken to protect Canadian interests vis-à-vis the invasions of even the friendliest country and in this bill, and certainly in this clause, as the Leader of the Opposition has pointed out, there is no provision that would avoid exorbitant profits and no provision that would prevent any dominant group from any outside jurisdiction coming in and taking control of the situation provided for under clause 44 of this bill.

What the Leader of the Opposition has said was very relevant. What was said by the minister a few moments ago and earlier in the discussion of this bill and particularly on this clause has served to confirm the position that we in this party have taken with regard to foreign participation. The objective of all Canadians, of course, is to see to it that Canadians participate to the full, but in this stage of the development of our country we have not felt it was possible by regulation to take a firm stand in that particular. That was an honest position to take.

What was the position hon. gentlemen opposite took? This country was being dominated by the United States by way of the inflow of capital, by way of management of corporations, and the like. In this very clause the government would have had the opportunity of taking the step that would reveal that once in office the government was prepared to act consistently with these declarations on other occasions. While there is no fundamental issue taken with this clause it does afford us the opportunity of saying to hon. gentlemen opposite, including my hon. friend the genial Minister of Public Works who I think was among those who took strongest issue, that nothing is now being done by the government consistent with the position it took before and particularly during the election with regard to the domination of this country by those who supply capital by way of investment from the United States in Canada.

Mr. Green: Of course you are completely wrong.

Mr. Martin (Essex East): Mr. Chairman, the best kind of argument my hon. friend is capable of making when he is in a difficult position is saying I am wrong.

Mr. Green: You are always wrong.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): That is an assertion that simply adorns the fact that my hon. friend is in a very weak position. The fact is that this government made much of the fact that there was foreign capital in this country and of the domination by the United States of so many corporate structures in Canada, but when the government is given the opportunity in the legislation it formulates it does not do anything about it.

The government sat motionless the other day when there was a big announcement of the decision of the United States Ford Motor Company to take control by way of stock participation in the Canadian Ford Motor Company. Not one word was said at that time but there were these great words uttered from one end of Canada to the other during the election. This expression of new Canadianism is now received by this lethargic government with respectful silence, and when I refer to the government I include the Minister of Public Works.

Mr. Herridge: Mr. Chairman, we have just listened to the greatest exhibition of oratorical fence-sitting we have heard for a long time. We have heard the hon. member for Essex East saying that the government is in a weak position. There is no one in this committee in a weaker position on this question than the Liberal party so far as I can see.

Mr. Martin (Essex East): We are consistent.

Mr. Herridge: The hon. member for Essex East and the Leader of the Opposition got up and made speeches which, if they lived up to what they said, would indicate that they would have voted for our amendment.

Mr. Martin (Essex East): We believe in logic. We are consistent.

Mr. Herridge: The hon. member for Essex East and I have a different understanding of the word "consistent". I cannot understand hon. gentlemen rising in their seats and in effect leaving the impression with the committee that they have always been as opposed to United States domination of capital in oil and gas pipe lines and other energy resources as this group has and at the same time saying they have no fundamental issue with the clause in question and accusing the government of the very thing of which they themselves are guilty.

Mr. Pearson: Mr. Chairman, it is not very difficult to deal with the point raised by the hon. member for Kootenay West who is undoubtedly upset because a particular method put forward by those in that group for meeting this problem has not been found acceptable to those in this party. It is one thing

to complain about the action of the government in these matters in the past and about the weakness of a particular provision but it is something else to introduce a provision which is quite unrealistic, unworkable and which would not accomplish the purpose which even those hon. gentlemen have in mind.

To put in legislation that an applicant must have a certain percentage of the stock held in Canadian hands and to make no provision for any change in stock ownership after that provision has been fulfilled makes no sense at all. You might have 51 per cent of the stock in Canadian hands at the time of the application and a week later only 10 per cent. For the C.C.F. to suggest that this particular problem is solved by this kind of amendment shows how unrealistic they are when it comes down to practical matters.

And now, Mr. Chairman, to turn to important matters, this particular provision does not deal with the question that my hon. friend has dealt with, and which has so often been in the minds of hon. gentlemen opposite, especially when they were over here: what can be done to ensure maximum Canadian control of Canadian companies?

I quite appreciate the minister's point that in mentioning tolls in particular I was anticipating perhaps another clause of the bill. But the fact remains that this is the clause in the bill which was put forward by the Prime Minister and others as a clause which would ensure that there should be no unwarranted, exorbitant profits. These are not the exact words he used but I think it is a fair interpretation of what he said. There is nothing in this clause which would necessarily bring about that result at all. All it says is that the board may have regard to the following in issuing a licence:

> The financial responsibility and financial structure of the applicant, the methods of financing the line—

So far as I can make out, this is the only provision in this legislation which bears on profits of pipe line companies that the board, before it should give the licence, may take into consideration. To suggest to the committee and to the country that this is a guarantee that there will not be extraordinarily high exorbitant profits, creates an entirely false impression. The government has done nothing whatever in this legislation to implement the expressions they used to use when they were in opposition any more than the C.C.F. have done anything practical in putting forward its amendment to meet this situation.

Mr. Herridge: In reply I wish to say that if the members of the Liberal party in the house at the present time, and particularly the hon. gentleman who has spoken on this, should agree with us that they do not want to see a domination of Canadian interests in this respect by United States capital and if we, because we are not lawyers—we all come from the producing section of society, the beaver section—are not as skilled as those who are learned in the law, if they mean what they say, they have their right now, if the amendment can be improved technically, to change the amendment to give expression to the views they have expressed in this house on the amendment.

Mr. Martin (Essex East): The hon. member has not followed what the Leader of the Opposition said.

Clause agreed to.

On clause 45—*Objections of interested persons.*

Mr. McIlraith: I wish the minister would explain the origin of this.

Mr. Churchill: This is modelled on section 12, subsections 3 and 4 of the Pipe Lines Act.

Clause agreed to.

On clause 46—*Conditions to certificates.*

Mr. McIlraith: May we have the same explanation?

Mr. Churchill: Clause 46 is modelled on section 12, subsection 5 of the Pipe Lines Act.

Mr. Robichaud: Section 46 is a very important one because it has to do with the terms and conditions which will lead to the issuance of certificates. It is most important in this case that the minister and the government should take into consideration that undue restriction can be more harmful than helpful in serving the purposes of this legislation. In other words, as desirable as the objective may be, we must be careful not to create restrictions of such a nature as to discourage the building of facilities instead of improving or extending such facilities. I hope the minister and the government will take this into consideration when the terms and conditions come into force which would probably be covered under the regulations.

Mr. McIlraith: Has the minister anything further to say on clause 46?

Mr. Churchill: There is no question about the importance of clause 46, which deals with certification. But I think we can rely on the board when it is issuing the certificate to set out the terms and conditions that are necessary in the circumstances, with each project being considered on its merits. I am not quite clear as to all these difficulties that are in the mind of my hon. friend.

Mr. McIlraith: If the minister will look at the clause he will find that there are some changes in this clause from the sections on which it is modelled, as taken from the Pipe Lines Act. As I read it, he has taken out the direct reference to the imposition of a time limit. It seems to me there is some real significance in that because on the leave to construct applications, it was usual to put in a time limit and if the time limit was not met the order then no longer had validity. Here we have a little different situation. The board is issuing a certificate which is final once it is issued. The matter is not quite as simple as the minister has indicated. It may well be that there is a good reason for the change, but certainly the committee has not been given it.

Mr. Churchill: Subsection 5 of section 12 of the Pipe Lines Act reads:

> Where the board grants leave to construct a line, it may impose such terms and conditions as it considers proper and may limit the time within which the company shall construct and complete the line.

We have left out the expression about limiting the time because that is included in the expression "such terms and conditions". It is just an improvement in drafting of clause 46 which is now before us.

Mr. McIlraith: With deference, I suggest it is not an improvement in drafting. In the other procedure they made an order as to the time, and if the order was not fulfilled the company was not free to proceed without further application. Now, having taken that procedure away, changed it, the certificate, as it is called, is still outstanding and still valid. That is the point I want to make. It may be there is some explanation and some proper requirement for the change.

Mr. Churchill: I would think that the time element would be expressed as a condition of the issuing of the certificate, so that it would not just go on indefinitely.

Mr. McIlraith: That is the point I want to have explained. It seems to me the time limit is not sufficiently covered or protected by the new legislation. This is the point I want to make. Perhaps it is covered in some other way.

Mr. Churchill: I grant that it is not mentioned. It is left to the competence of the board to determine that. In the old act all they said was they limited the time, without saying whether it should be six months or fifteen years.

Mr. McIlraith: Yes. Under the old act if there was an order issued as to time, then the matter was ended if the company had not lived up to that time limit and had not in the meantime made application to have it varied or extended. I see no such right under the new legislation. It seems to me it is a small point which is not covered at all, but it could be quite important.

Mr. Churchill: There is no question about its importance, but I am sure that the board would have a time limit as a term or condition of its certificate, and that provision is made in clause 47, under which power is given to revoke and suspend a certificate if the terms and conditions thereof are violated.

Mr. McIlraith: Unfortunately, in so far as this point is concerned, the certificate is made final under the new legislation.

Mr. Churchill: It is made final but it can be suspended if the conditions are not met.

Mr. McIlraith: Yes; but under the former procedure it became inoperative merely by the passage of time without action being undertaken to have an order rescinded. Under the new procedure it requires an application and a hearing. It remains in force until steps are taken to rescind it. Was that intended?

Mr. Churchill: Whether or not it was intended, I do not think that it will affect the construction of pipe lines or the issuing of certificates seriously.

Clause agreed to.

On clause 47—*Revocation and suspension of certificate.*

Mr. McIlraith: Could we have an explanation as to the origin?

Mr. Churchill: Clause 47 is not from the Pipe Lines Act but is modeled on section 3, subsection 3, of the Exportation of Power and Fluids and Importation of Gas Act which deals with the revocation of export and import licences. This is an essential provision to be placed in the act and, as you will notice, in subclause 2 provision has been made for notice to the holder of the certificate and there will be a hearing so that he can put forward his case.

Mr. Regier: I notice we have passed a clause whereby the board may, subject to the approval of the governor in council, issue a certificate for the building of a pipe line or an international power line, and naturally there will be attached to such certificate all kinds of conditions to which the applicant will be expected to adhere. In clause 47, subclause 1; we are being asked to give the board the power of revoking a certificate once issued if in the opinion of the board the person to whom it was issued has violated or failed to comply with any term or condition thereof. I also notice that once again in

this clause there are the words "with the approval of the governor in council". For the life of me I cannot understand why that phrase should be there.

Once a certificate has been issued upon the recommendation of the board and with the authorization of the governor in council, once the cabinet and the board have agreed upon the necessary terms and conditions, I completely fail to understand why the board should not then have the authority to exercise powers of enforcement with respect to the terms and conditions under which the certificate was issued. I do not see why the cabinet should want to retain the right to revoke or suspend a certificate. We feel that the powers of policing and the authority to enforce the terms and conditions under which the certificate has been issued should certainly be vested in the board and not in the governor in council. Therefore I should like to move, seconded by the hon. member for Kootenay West:

That subsection 1 of section 47 be amended by deleting the words "with the approval of the governor in council".

Mr. Churchill: The reason the approval of the governor in council is required in clause 47 is virtually the same as the reason for the same approval in clause 44. You are dealing with such a major matter of business in issuing a certificate in the first place and then revoking a certificate in the second place that surely these things should not be done without the full knowledge, consent and approval of the governor in council. If a certificate has to be revoked that means the end of the operation of the company and it might create great distress and hardship far beyond the immediate circumstances leading to the breaking of any of the conditions in the certificate. The operations of a company under a certificate of public convenience and necessity may be vast, and surely my hon. friend would not suggest that any revocation or suspension of a certificate should not be reviewed by the governor in council. We are giving the board wide powers but not powers to that extent.

Mr. McIlraith: On the question of the amendment before the committee, it seems to us that since we have passed clause 44 which provides for the issuance of the certificate by the board with the approval of the governor in council it is not possible to have a different authority with the power to revoke. For that reason, regardless of what may be said about the powers of the governor in council, if they have it for the one they must have it for the other.

Mr. Herridge: I should like to say that is further evidence of using a verbal escape hatch to conceal a desertion of principle.

The Chairman: This amendment is rather inconsistent with clause 44 which has been approved and I therefore declare it out of order.

Mr. Regier: Mr. Chairman, I should like to make a submission on the matter of order.

The Chairman: The Chair is quite ready to hear the remarks of the hon. member for Burnaby-Coquitlam.

Mr. Regier: Thank you very much for your lenience. I realize that this may be out of line after you have made your ruling. However, in all humbleness I should like to submit that clause 44 sets out the terms and conditions upon which a certificate may be issued. When we come to clause 47 we come to an altogether different problem, the enforcement of the terms and conditions under which the certificate has been issued. It is one thing to legislate but it is an entirely different matter to enforce legislation and we are asking that the enforcement be divorced from the legislative authority.

Mr. Argue: Mr. Chairman, I hope you will reconsider your ruling. I think this would be one of the dark days of the House of Commons if this kind of ruling were to be enforced. Surely no one is going to argue that because certain words appear in one clause of a bill you cannot move that those words be deleted in another clause. As the hon. member for Burnaby-Coquitlam has pointed out so well, clause 44 sets out certain conditions for the issuance of a certificate while clause 47 sets out certain conditions for the revocation or suspension of a certificate. If you have not yet made your ruling firm, Mr. Chairman, I would appeal to the house leader to intervene. I know he is not in favour of the amendment but I feel he is in favour of maintaining the basic right of members of the House of Commons to move amendments, and clearly this is an amendment that is entirely in order.

The Chairman: Order. The ruling I made was based on my own personal judgment of the matter. Under clause 44 it is provided that the board, subject to the approval of the governor in council, may issue a certificate. Therefore it stands to reason in my view that the revocation of such a certificate must also be done by the same authority. However, I am quite willing to let the committee decide this matter although I consider personally that the amendment is out of order for the reasons I have given. I repeat that I am quite willing that the committee should be the judge of this situation if it so pleases the committee.

Mr. Green: Mr. Chairman, we would have no objection to having this amendment put.

I realize Your Honour is worried about whether or not the amendment is in order, but under all the circumstances it would be helpful if the amendment could be put.

The Chairman: I must, in all frankness, repeat that I, personally, consider the amendment is out of order, but I offer to the committee the opportunity to judge on this amendment. Therefore, I am at present asking the committee if it is ready for this question?

Mr. Argue: I take it, Mr. Chairman, you are allowing the amendment to be dealt with by the committee when the appropriate time comes for a decision on the amendment? I thank you, Mr. Chairman, for having ruled this way, even after having some personal misgivings as to the nature of the amendment.

As the hon. member for Burnaby-Coquitlam has said, this clause as it now stands would give the governor in council complete latitude to condone wrongdoing and the breaking of the rules by any company. Surely, it is one of the basic tenets of law that a decision of the court is not set aside by the cabinet.

In this instance, we have a board which has the right, in this case subject to the approval of the governor in council, to revoke or suspend a certificate if in the opinion of the board the person to whom it was issued has violated or failed to comply with any of the terms or conditions thereof. This board is almost powerless. This board is a creature of the cabinet. This board is a pawn in the hands of the cabinet. The minister has said on previous occasions they are going to do their best to get highly qualified men to become members of the board. They are going out across the length and breadth of this country to get highly qualified men to be members of the board, and then give them no power. The power that they have is merely the power to go to the cabinet and make representations. I am surprised at the arguments put forward by the hon. member for Ottawa West. He says if the company is set up at the will of the cabinet, then its life should become extinct also on the approval of the cabinet.

Mr. McIlraith: I am sure the hon. member would not wish to misrepresent what I said, and that is not the effect of what I said.

Mr. Argue: The hon. member can explain that when I have finished. As I understood it, he said a certificate is to be issued subject to the approval of the governor in council, so it should be revoked or suspended only with the approval of the governor in council. It seems to me that is saying that if the certificate is issued by cabinet authority then the cabinet should have the right to extinguish or not to extinguish the life of the company that has been given such a certificate.

If this board is to be worth its salt, if it is to be worth the price the public will be paying the members of the board, then the board should have some power. Surely, the people who are put on this board, of whom the government says they are going to be highly qualified, should have sufficient authority to ascertain whether or not in their opinion a given company has maintained the terms of its contract. If there has been a violation which in the opinion of the board requires revocation or suspension of the certificate the board should have power to act in that regard. If there are a number of companies that have been set up, and if there are a certain number that are breaking the contracts, then according to the authorization provided the governor in council under this clause the cabinet can decide which one of the number of companies will have its certificate suspended.

This opens the door to the government allowing a continuation of wrongdoing, a flouting of the law. This also opens the door to the cabinet playing favourites in so far as certain companies are concerned and discriminating against other companies. If there should be pampered pets of the government involved, then they could allow those companies to go free and no amount of wrongdoing or breaking of contracts would result in the cancellation of the certificate because the cabinet would be on their side. On the other hand, if the cabinet should decide that a particular company, for some reason, some personal reason of certain cabinet members, should have its certificate revoked, then of course that may be allowed. For the life of me I cannot understand why the cabinet requires this far-reaching authority.

We have heard so much in the past about the authority of the cabinet being dominant over our whole national life. I do not believe the former minister of trade and commerce, about whom we have heard so much concerning his desire to get so much power for himself, would have gone any farther than the present Minister of Trade and Commerce in introducing this bill. Surely, it is not something that goes with the portfolio; that once a man becomes minister of trade and commerce he seeks to be all-powerful. This is what the government is doing in this clause, and I am very much surprised at the stand taken by the official opposition in condoning this clause and in saying that they will not support an amendment which endeavours to curb cabinet power which could be used for only one purpose, which in plain English is to allow the breaking of the law by a company building a pipe line.

Mr. Martin (Essex East): You have misstated our position.

Mr. Argue: I hope that the committee will turn down the clause as it now stands and support what we consider to be a very fair amendment, and one which should be supported if we are to protect the gas industry of this country against a cabinet that can condone wrongdoing and can play favourites amongst the companies.

Mr. Chairman, it is five o'clock.

Progress reported.

PRIVATE BILLS

Mr. Speaker: As there are a number of divorce bills standing for consideration in committee of the whole, is it agreed that in accordance with section 1 of standing order 54, they be referred to the committee of the whole in one motion?

Some hon. Members: Agreed.

MARCELLE FLORE TERREAULT WRIGHT

The house in committee on Bill SD-234, for the relief of Marcelle Flore Terreault Wright —Mr. McCleave—Mr. Sevigny in the chair.

On clause 1—*Marriage dissolved.*

Mr. Winch: On clause 1, I would like to ask the chairman of the committee a question. I have been given to understand that there are a number of divorce bills of a very unusual nature requiring very special study by the committee. I understand that the committee is making a very special study of certain divorce bills on which there is a question whether or not they should be passed by the house. Have we the assurance of the chairman of the committee that of all the bills we are considering none of such a nature are before us at this time?

Mr. McCleave: I am afraid I will have to ask the hon. member to expand his question a bit. Does he mean that none of the cases before us this afternoon are of a questionable nature?

Mr. Winch: Are all those now before us not of a questionable nature?

Mr. McCleave: I could not give the hon. member of the committee any such assurance. I have studied the particular cases which are before the committee this afternoon. I would say there are several in the doubtful category; that is, that I myself perhaps have some reservations about. But when they were considered by the committee they did pass the committee.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill SD-235, for the relief of Daisy Naydia Pretula Link.—Mr. McCleave.

Bill SD-236, for the relief of Alexander Hill Forbes.—Mr. McCleave.

Bill SD-237, for the relief of Barbara Ann Mary Curran Albrechtson.—Mr. McCleave.

Bill SD-238, for the relief of Dorothy Vera Doyle Trudel.—Mr. McCleave.

Bill SD-239, for the relief of Mary May Helen McCormick Moran.—Mr. McCleave.

Bill SD-240, for the relief of Ethel Marguerite Nimick Hemmings.—Mr. McCleave.

Bill SD-241, for the relief of James Donald McAllister.—Mr. McCleave.

Bill SD-242, for the relief of Heather Joan Maxwell Firth.—Mr. McCleave.

Bill SD-243, for the relief of Suzanne Mary Florence Peyton Young.—Mr. McCleave.

Bill SD-244, for the relief of Elizabeth Ann Nelson Bisset.—Mr. McCleave.

Bill SD-245, for the relief of Moira Elizabeth Latham Bruce.—Mr. McCleave.

Bill SD-246, for the relief of Audrey Edwardeen Scanlan Grayburn.—Mr. McCleave.

Bill SD-247, for the relief of Oscar Roy.—Mr. McCleave.

Bill SD-248, for the relief of Rosy Fish Tatelman.—Mr. McCleave.

Bill SD-249, for the relief of John Andrew Buzzell.—Mr. McCleave.

Bill SD-250, for the relief of Barbara Lucy Bain Forbes Logan.—Mr. McCleave.

Bill SD-251, for the relief of Ghitta Caiserman Pinsky.—Mr. McCleave.

Bill SD-252, for the relief of Florida Seyer Girard.—Mr. McCleave.

Bill SD-253, for the relief of Maria Adriana Sluis Metcalfe.—Mr. McCleave.

Bill SD-254, for the relief of Irene Kramer Segal.—Mr. McCleave.

Bill SD-255, for the relief of Lois Genevieve Good Mulcahy.—Mr. McCleave.

Bill SD-256, for the relief of Frances Lerner Rotman.—Mr. McCleave.

Bill SD-257, for the relief of Mose Takacs. —Mr. McCleave.

Bill SD-258, for the relief of Catherine Mary Rita Durning Dossett.—Mr. McCleave.

Bill SD-259, for the relief of Dorothy Elizabeth Fremantle Fleming.—Mr. McCleave.

Bill SD-260, for the relief of Donald Edward Cook.—Mr. McCleave.

National Flag of Canada

Bill SD-261, for the relief of Maria Carmella Gentile Hammill.—Mr. McCleave.

Bill SD-262, for the relief of Ivy Mildred Patch MacDonald.—Mr. McCleave.

Bill SD-263, for the relief of Mary Friend Bond.—Mr. McCleave.

Bill SD-264, for the relief of Eleanor Patricia Henderson Cosh.—Mr. McCleave.

Bill SD-265, for the relief of Patricia McDonald Bouthillette.—Mr. McCleave.

Bill SD-266, for the relief of Louis Marcel Blondin.—Mr. McCleave.

Bill SD-267, for the relief of Janet Marianne Louise Kippen Coulombe.—Mr. McCleave.

Bill SD-268, for the relief of Demetra Paul Garini Liogas.—Mr. McCleave.

Bill SD-269, for the relief of Paul Alexander Cross.—Mr. McCleave.

Bill SD-270, for the relief of Elisabeth Marguerite Le Febvre Walker.—Mr. McCleave.

Bill SD-271, for the relief of Joseph Roger Wilfrid Girard Frigon.—Mr. McCleave.

Bill SD-272, for the relief of Jean Paul Frechette.—Mr. McCleave.

Bill SD-273, for the relief of Ben Plotkin. —Mr. McCleave.

Bill SD-274, for the relief of Tibor Matthias Miletics.—Mr. McCleave.

FLAGS OF CANADA

MEASURE TO PROVIDE FOR A NATIONAL FLAG OF CANADA

The house resumed, from Friday, February 20, consideration of the motion of Mr. Boulanger for the second reading of Bill No. C-6, respecting flags of Canada.

(Translation):

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, perhaps you will allow me to make a few brief remarks about this bill for the adoption of a distinctive Canadian flag.

The matter has often been debated, and fairly recently, last February 20, 1959, it was again talked out, but comes up again this afternoon. Much has been said and written about this matter and I hope that the members of the house will limit themselves to brief remarks so that we can vote on that bill.

The Liberal party has been often criticized for its failure in the past to adopt a distinctive flag. In fact, a member of the present government the Solicitor General (Mr. Balcer) said, during the 1957 electoral campaign, as reported in the *Nouvelliste* of May 20, 1957:

Mr. Balcer stated that among concerns dear to French-Canadian hearts were those of a distinctive Canadian flag and of the appointment of an ambassador to the Vatican.

Whenever those matters were raised in the commons, he said, federal members from Quebec remained riveted to their seats until the question was put and then rose only to register their opposition.

It is therefore time that hon. members on government benches take a leaf out of the Solicitor General's book and leap at the chance they now have to state their views by voting for or against a distinctive flag. If they oppose the bill, we will see that it is the party now in power which does not want it.

We often hear the Prime Minister (Mr. Diefenbaker) preaching national unity. Only recently, at a banquet in Montreal, he told his audience that he had a surprise in store for them which would reveal the cabinet's attitude while favouring national unity.

By this bill members of the house, particularly those on the government side, are provided with a splendid opportunity to give special attention to the matter. Members of the Conservative party, who profess to belong to the party of national unity, now have a chance to say whether they are in favour of a national flag.

A public survey has been conducted in the larger cities of Canada: Victoria, Vancouver, Edmonton, Saskatoon, Calgary, Toronto, London, Montreal and Saint John, New Brunswick. The result of that survey was published in the *Canadian High Life News* of January 25, 1958. In that survey, the following question was put to 1,200 students: "Do you think Canada should have its distinctive national flag?" The replies were 83 per cent in favour, 13 per cent against and 3.3 per cent undecided.

This proves once again that the time has come to reach a decision on this matter. If the people in Canada's large cities feel it is time to have a distinctive flag, I say and repeat that it is our duty as representatives of all Canadian citizens, to decide whether the matter of a distinctive flag should be settled today or again put off.

Mr. Speaker, when you see a country as under-developed as Ghana choose a national flag immediately upon being recognized as an independent state, whereas Canada, which contributes to assistance under the Colombo plan and helps underdeveloped countries of the world in their struggle for survival, has no distinctive flag, you cannot help feeling the absurdity of the situation which should be remedied once and for all.

A friend of mine who visited the Brussels fair was telling me that every country represented there was flying a distinctive flag, whereas Canada, if I remember correctly, flew the Red Ensign, the flag of our merchant navy. Such a situation is simply absurd. The more you go into the matter, the more you realize that it should be settled as soon as possible, in the best interest of all Canadians.

Mr. Speaker, I have no intention of dealing with this matter at any great length, and I urge hon. members to take this opportunity to indicate whether they are for or against the bill under consideration.

In closing my remarks, I ask the house to reach a decision and to put the matter to a vote.

(Text):

Miss Margaret Aitken (York-Humber): There is no doubt in my mind that the great majority of Canadians do want their own flag, and this majority has been growing during the years. Undoubtedly two wars have played no small part in influencing Canadians into wanting their own flag, because thousands of young men who went to fight in other lands wanted a symbol of their own national identity. That is what a flag provides—national identification.

I do not blame the Liberal party for not having introduced a national flag during the 22 years when they were in office, but I do think it is a little ridiculous now for them to try to find evidence in favour of a flag when they had ample opportunity in the past to do something about it themselves. None of us in this house wants this flag to become a political issue. We do not want to create a division over something which can be a very emotional matter. What we must do is call upon that well-known Canadian characteristic—compromise. With our two healthy and vocal cultures, we have built our nation through compromise. If there is any controversy over this bill, I do not believe it arises over whether we should have our own flag or not; what we have to agree upon is the design of the flag.

Like all other hon. members I have received hundreds of suggested designs, some of them absolutely monstrosities, other meaningless and still others rather attractive. But a flag is not just a selection of colour and emblems. It is a tracing of history. That is why I believe we should have the Union Jack as our flag. The Union Jack is part of our history. It grew out of British history, which, in turn, is part of Canadian history. In a book called "The History of the Union Jack" by Barlow Cumberland, there is this description of a flag:

> National flags are not merely a haphazard patchwork of coloured bunting, nor meaningless things. Their combinations have a history and tell a story.

When we look back on this history of the Union Jack, the story it tells is one of continuous growth. Part of that growth has been provided by Canada. For instance this three-crossed Union Jack of Canada is the only flag on this continent which has always been a flag of liberty, a flag by which all men, as their birthright, have been created free and equal. Other countries, in their past, tolerated slavery, but as soon as a slave reached Canada he was free. That, surely, is a fact that should make us proud.

In most parts of this world today the red ensign with our coat of arms is recognized as the Canadian flag and it seems to us particularly fitting that this should be so. Canada is the senior member of the greatest federation or combination of nations ever seen in the world history—the British commonwealth of nations. In 1901 Australia adopted the blue ensign with six stars as her national flag. New Zealand also has the blue ensign with four stars, and the white ensign as her naval flag. Surely the red ensign, or the white ensign, would be especially fitting for Canada? The white ensign might well be chosen as a distinctive Canadian flag depicting the fact that we are a northern country of snow and forests. But whatever is chosen, whether the flag is red or white or blue, let us not obliterate the Union Jack from the design.

Three arguments are mainly used against the inclusion of the Union Jack. First, it is said that it indicates British sovereignty over Canada; second, that the Union Jack has no symbol in it to represent the French part of our nation; and, third, that the Union Jack means nothing to the ethnic groups in our country. Let us consider these three arguments one by one.

As to the argument that the Union Jack indicates British sovereignty over Canada, I do not believe that any thinking Canadian really holds that view today. In his heart of heart every Canadian knows that Britain has no desire or right or inclination to infringe on our independence, our sovereignty. As to the contention that the Union Jack bears no symbol in it to represent the French part of our nation, that is true, but if our

French-speaking Canadians want some symbolic emblem in our new flag, by all means let us have it. If the fleur-de-lys answers that objection, let us have it; if the maple leaf answers it, let us have it. But the fact remains that the Union Jack is still part of Canadian history and it should be in our flag somewhere.

A great Canadian, His Excellency the Governor General, once made a speech which has been put into a book, and the title of his speech was "The Quest for Unity". He had this to say:

> The British tradition in Canada has fortified our sense of freedom. Today our association with the other nations of the commonwealth is an expression of political liberty. If it is sometimes said that the British connection is an evidence of "colonial subordination". Nothing could be further from the truth. The "colonial" point of view no longer exists as a factor in our national life, and is held by no thinking Canadian.

Then we are told that the Union Jack has no meaning for those ethnic groups who have come to this country and become Canadians. I cannot accept that argument, either. People from other lands came here by their own choice, knowing that the Union Jack was part of our history. They might well have been influenced by that very fact, because the Union Jack is a symbol of liberty, a flag by which all men, as their birthright, have been created free and equal. As a people I believe we are all too prone to tear down the old for the new and modern. It seems to me that in a rather immature way we appear to want to throw away all our traditions to show how grown up and independent we are.

On Christmas Day, 1957 Her Majesty the Queen in her broadcast issued this warning which I think applies very strongly to us at this particular time in our history in deciding about a flag:

> It is not the new institutions which are the difficulty. Our trouble is caused by unthinking people who carelessly throw away ageless ideals as if they were old and outworn machinery.

I believe that the Union Jack is one of those ageless ideals. It has been the inspiration of many deeds of heroism in Canada by French-speaking and English-speaking Canadians and Canadians from many ethnic groups. I say to this house, let us not throw out this part of our past and of our traditions as if it were old and outworn machinery. Let us have a Canadian flag but let us keep the Union Jack in the design of it.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, no one can quarrel with the large segment of our Canadian population that sincerely desires a distinctive Canadian flag. It is in keeping with the spirit of nationalism that is sweeping the world today, a spirit which can do great good and also great harm.

The bill before us is one way in which nationalism can be manifested and by which great harm could be done, not because of the content or the idea behind the bill but because the bill brings something which affects the emotional make up of Canadians into the political arena involving us in what you might call a cheap political trick because the bill says that the governor in council shall prepare the design, then put it to the house, and after winning the approval of the house and Senate it will be sent on its way for royal approval. You can well imagine what design at the present time would gain unanimity of opinion in the House of Commons.

This bill is not designed to promote national unity but in the way it is framed it is constructed so as to promote national disunity. I am sorry that the hon. member for Drummond-Arthabaska (Mr. Boulanger) who sponsored the bill it not sufficiently interested in his own bill to be present in the house this afternoon while it is being debated so that I could address my remarks directly to him.

Mr. Robichaud: Mr. Speaker, I rise on a point of order. The hon. gentleman has mentioned that the hon. member for Drummond-Arthabaska is not interested enough to be present during the discussion of his bill. The hon. member has personal reasons for being away from this house. Every hon. member knows the physical condition of the hon. member for Drummond-Arthabaska. If he is not here today it is because he has reasons not to be here and it is casting a reflection on the hon. member to make such a remark.

Mr. Broome: Mr. Speaker, I shall certainly withdraw my remark about his not being interested in the bill but will leave the rest of my statement as it stands.

We have two great cultural groups in this land both with traditions that go back to their homelands in Europe. Those of French Canada were broken by the French revolution but the traditions of English speaking Canada, by chance, were carried forward without interruption. The contribution of French speaking Canada to the growth of this country and the development of our nationalism and to the position we occupy in the world today cannot be over-estimated. After the American revolution and during the war of 1812-14 it was French Canada that was a major bulkwark of defence against aggression.

The history of this country to a great extent up to very recent times has been

the history of Upper and Lower Canada. I for one will pay tribute to the advantage we have had in the contribution of French Canada to maintaining our national integrity. The French culture has acted as a barrier against our absorption into the United States. But as we recognize the great traditions of the French speaking people so must they recognize the sources and origins of the traditions of the other main racial groups in Canada.

I resent such remarks as those made by the sponsor in introducing the bill on February 20, at which time he spoke about putting an end to spurious sentiment. Sentiment and tradition are two of the greatest things in our lives and as the previous speaker said they are not to be lightly dispensed with.

There is a form of "little canadianism"—and both words should appear in lower case letters—which can see subservience and domination in almost everything. At one time they saw it in the word "Dominion". I would expect they could see it in the procedure of this House of Commons because it is not a Canadian development but is modelled after the procedure followed in the parliament at Westminster. They might also see subservience in our laws which are based on the English common law system. Doubtless they see subservience in our present flag.

I say that this question goes beyond any consideration of subservience or domination. We must consider the question of what most truly reflects the aims, aspirations and wishes of the Canadian people as a whole, ignoring their ethnic background. Canadians comprise almost every race in the world today. Our traditions were influenced by two world wars in which thousands of young Canadian men and women served and lost their lives. There is scarcely a family in this country which has not suffered in this respect. Do we throw all of this overboard? Are we to say that the past means nothing and only the future is important? Individuals can do that but nations are bound by what has happened in the past as inexorably as we are bound to the fact that we are all fated to die some day.

I have with me a card showing the coats of arms of the provinces of Canada. Would you say that we in British Columbia are subservient because we have the Union Jack and the crown on our provincial coat of arms?

Mr. Drysdale: No.

Mr. Broome: And that the red cross of St Andrew, which appears in the coat of arms of Alberta, Manitoba and Ontario, makes them subservient?

Mr. Drysdale: No.

Mr. Broome: And that it is not fitting that the arms of Nova Scotia should have the cross of St. Andrew, the arms of Prince Edward Island and of New Brunswick should have the heraldic British lion. The lion is not a native Canadian animal. Should these things be dispensed with and thrown away? Is the answer, why not? The point I am trying to make is that perhaps the one thing I can agree with in the speech of the hon. member who sponsored this bill is what he said about Montcalm and Wolfe when he quoted the latin inscription which is carved in the monument on cape Diamond in Quebec city, which translates as follows:

> Gallantry united them in the same death. History awarded them the same fame. Posterity built them the same monument.

In that lies unity; in remarks of that nature lie unity. But when he refers to the fact that General Nasser disagreed with the uniforms our soldiers wore as members of the United Nations force—that was one reason he cited for a distinctive Canadian flag—I say it makes no sense. What I say is that this problem, this idea of a truly distinctive Canadian flag, is good nationalism, but it must be worked out in harmony and with consideration for the background of both of the main groups which comprise the Canadian people, and also it must take into consideration the newer peoples who have come to us. There must be give and take.

The one thing that I think as a nation we are outstanding in is that we can compromise our difficulties away; that we are always willing to give in a bit to the other side so that general agreement can be reached. It is by these methods that we can accomplish what the sponsor of this bill wishes to accomplish; but it must be done in some way that does not bring politics into the picture, because once it becomes a political issue then there is political gain or political disadvantage, and this is too great an issue and too important an issue to be handled in that manner. Therefore, Mr. Speaker, this bill as it stands is something that I cannot agree with, because it ignores the way in which the people of Canada wish to resolve this type of difficulty.

Mr. Robichaud: Will the hon. member permit a question, since he was a bit confused in most of his remarks. Will he tell the house whether he is really in favour of a distinctive Canadian flag, or is he against it?

Mr. Broome: Actually there are two statements there. There was no confusion in my mind as to what I was saying. In regard to a distinctive Canadian flag, certainly I would like to see a distinctive Canadian flag.

Mr. Robichaud: With or without the Union Jack?

Mr. Broome: So far as my personal opinion is concerned, it happens to be my opinion that anything which ignores the background of the English speaking peoples, or which ignores the background of the French speaking peoples, would not be a truly distinctive Canadian flag.

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, I do not propose to go into the technicalities of the bill before us. I wish to discuss some of the principles of the matter and express the views of a third group of Canadians, neither English nor French. I think I have the right to reflect their ideas and thoughts; therefore I hope the house will bear with me if I make some remarks along these lines.

The question of a new flag is a very interesting one. We say we have grown up; we are no longer a British colony. But Canadians seem to be divided into three distinct groups on this particular question of a flag. I say there is one section of the country which wants a distinctive Canadian flag and which would eliminate the Union Jack and the fleur-de-lis; that is, we must erase all traces of the past that the Union Jack and the fleur-de-lis have stood for. Another section of our population wants a distinctive Canadian flag but it must have the Union Jack on some part of it. There is another section of our country that considers that discussion of the flag is taboo; it is something we must not discuss because it might hurt somebody's feeling. I feel, that when a matter of public interest cannot be discussed in a free country, that country ceases to be free. Therefore, if I am unduly frank in some of my remarks, I feel that I am in a free country which permits free discussion, and it is something that is our right and privilege.

I would go along with the hon. member for York Humber (Miss Aitken) but not in every respect. I do not wish to be repetitious, but yet I make reference to the fact that our sister nations of the commonwealth, namely Australia, New Zealand and South Africa, above all, have a Union Jack on some part of their flags. I will answer the question. I think Canada should have a distinctive national flag. I am not particular as to what colour it should be, I mean the whole field of it, whether it should be blue, red white or any other colour, but I have strong feelings, about the fact that it should contain a union jack of some kind. I cannot help it; it is in my bringing up. I remember that during the first world war when I attended public school we sang the song "We will never let the old flag fall." I still get a thrill when I think of it. I remember the song "Red, white and blue, what does it mean to you". It is ingrained in my generation, and I am neither of French nor Anglo-Saxon origin.

I feel that the Union Jack stands for something and that we just cannot wipe it out. It stands for our solidarity with the British empire, but not as a colony. We are not a colony. We are a sovereign nation voluntarily in the British commonwealth of nations and the Union Jack stands for that solidarity, for that empire. It stands for the tradition of freedom that we enjoy here and that people, whether white, black or yellow, enjoy wherever that flag has been planted, no matter in what part of the world. To me that flag stands as a symbol of the tradition of fair play and the tradition of British justice.

I think various sectors of our population owe a great deal to the Union Jack, and I am going to be quite frank. I have met Canadians of French origin who have confessed to me that the Union Jack meant something to them in that when the Union Jack was planted on the plains of Abraham those who planted it there did not treat them as a conquered people. That flag guaranteed them freedom of culture, freedom of religion, freedom of language and that agreement has been kept to the letter.

What does it mean to one of Anglo-Saxon origin? He brought it with him from his mother land. He brought it from England. What does it mean to the descendants of the United Empire loyalists who came to the Ontario wilderness from the colonies just to be under that flag? Their descendants have a right to their sentiment and it is a ridiculous statement for anyone to say that as a majority want a new distinctive flag the Union Jack must be wiped out altogether. That is a ridiculous statement just as it is a ridiculous statement to say that the ethnic groups which, according to some figures, comprise one-third of our population, want any other flag. I have still to receive a request from any of my fellow Canadians of any ethnic group, including my own, for a new Canadian flag. I do not think that question bothers them at all. They will be happy. Probably the young generation would be happy to have a new distinctive Canadian flag. But, as I have mentioned, there is this sentiment with regard to what the Union Jack stands for.

Some people say that we have no flag today. Yes, we have. The Canadian ensign is our flag. We are going to display it on all public buildings and public places when Her Majesty visits Canada. It is very easy to say that we have grown up but when

my son grew up I did not expect him to throw away my name, the name I gave him. I did not expect him to throw away the traditions in which I brought him up. I did not expect him to forget the language I taught him.

Throw away the Union Jack? Why not throw away the idea of Her Majesty being our queen? Why not throw away all the parliamentary procedure we have inherited from the mother of parliaments? Why not throw away all our freedoms? Why not throw away our tradition of justice and fair play?

I am going to make my remarks brief, Mr. Speaker, because I should like to see others state what they feel they should contribute to this debate. But I am going to tell you one thing. When the boat on which my father came to Canada approached these shores he saw that flag and found refuge under it. That applies not only to my father but to millions of immigrants from all parts of the world. To them it meant the same thing as the statue of liberty in New York harbour. It has meant that to them. It meant that to my father because that flag guaranteed him freedom and liberty.

Finally, may I say that I cannot express myself too strongly. I am in favour of a distinctive Canadian flag and I do not care what colour it is. However, I feel very strongly, and I believe there are millions of Canadians who feel the same way I do, that on some part of it the Union Jack must appear. Otherwise we are breaking away from everything we have got. Otherwise we are going to become a satellite of the United States. We will be heading toward becoming the 51st state of the United States. I want to retain our connection with the crown. I want to retain our connection with Britain, not as a servant, not as a subservient colony, but as an equal, and we are treated as such.

We are all looking forward to Her Majesty's visit to Canada. Why, tell me why this should be done. We have the same queen, common laws and common justice. Are we ashamed of that flag? Are we ashamed of keeping company with New Zealand, Australia, Rhodesia and South Africa who have retained the Union Jack on their flags?

(Translation):

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, let my first remarks be an expression of deep sympathy with the former Liberal administration, particularly bearing in mind a resolution passed in January 1958, during a Liberal convention, in favour of a distinctive national flag. Of course, Mr. Speaker, you will appreciate the genuineness of my feelings because, as everybody knows, that wonderful, sincere and firm resolution was adopted by the former administration after having been in power for 22 years in this country.

Mr. Speaker, the matter we are discussing tonight is obviously of a very delicate nature. Thousands of Canadians have quite different opinions on this matter. Some favour an exclusively Canadian flag, others would like to see the past remembered, by leaving on the Canadian flag the Union Jack or the red ensign. Such views must be respected by both sides.

The Union Jack and red ensign should of course be referred to with great respect by all Canadians. Canadians of all racial origins, particularly during the last two wars, have fought under those flags. Many Canadians, of either English or French origin, dying on the battlefield, looked their last upon this flag which we revere and respect, whatever our origin.

Yet, Mr. Speaker, we must reckon with history, and with the years, and not only years past but years to come. Our nation—as none will gainsay—is still comparatively young. While we are about to celebrate the centennial of Canadian confederation, our history goes back to no more than three or four centuries. This country which is rich in possibilties, both in human capital and natural resources, is destined to play a tremendous part in the future.

If Canadians, whose predecessors started to consolidate the national unity in 1867 with the confederative pact, want to continue that work of consolidation, I believe that Canada should choose an exclusively Canadian flag, a distinctive flag.

Of course, in this country where I believe we enjoy a greater measure of freedom than in any other, a Canadian citizen—whether a Canadian-born or naturalized citizen—must be entitled to the same rights and privileges, whatever his origin.

Mr. Speaker, in addition to those two great races, the French and English, that pioneered this country, there are thousands of Canadians who have lived in this land for many generations. Some of them already form large racial groups that are worthy of respect.

What would happen then if each of those racial groups, already large and deserving

of regard, should want to place on the Canadian flag the emblems of their own origins? It would of course lead to a practically inextricable situation. Each group would have excellent reasons for wanting on the Canadian flag an emblem reminding them of their origin.

I do not think, Mr. Speaker, that we should forget the glories of the past. Canadians of English origin, and Canadians of French origin have both played a significant part in the history of our country. But we must consider that Canada, being a young country, must look above all toward the future. It is for that reason, most of all, that in making these remarks in the house tonight, I say I am in favour of the adoption of an exclusively Canadian flag.

Before resuming my seat, I should like to stress again all the respect, admiration and veneration I have for our history. Our country has already glorious pages of history to its credit, but how many more remain to be written about this country, Canada, which today is considered as an adult country by other nations. I believe that we should be in a position to display at international gatherings, a flag which would clearly assert our independence, our will to grow and to progress. That does not necessarily exclude, Mr. Speaker, the reproduction on a Canadian flag of a certain emblem denoting the origins of the two great races which presided over the foundation of the country in which we are proud to live today.

(Text):

Mr. H. C. McQuillan (Comox-Alberni): Mr. Speaker, it seems to me that whenever I speak during the private members' hour I am always on the short end of the stick. I do not mind that a bit—

Mr. Winch: Do not talk it out.

Mr. McQuillan: —but it is almost as if they did not trust me because they think I will talk too long. I think perhaps a lot of the hon. members are like me—

Mr. Winch: Do not let it be said a member from B.C. talked it out.

Mr. McQuillan: Perhaps the hon. member for Vancouver East (Mr. Winch) could be quiet for a minute. Perhaps other hon. members are like me, but I know that whenever I walk up the hill it is a matter of pride to me to see the flag flying from the masthead. I am sure that, like other hon. members, my heart swells with pride because as a member from British Columbia this has been my flag. I think many people in Canada have recognized it as their flag.

Perhaps there should be a little more recognition given to the French background of a great part of our nation, but I feel that will come about in the course of time. I do not believe that by any stretch of the imagination a flag is going to make a nation of us. We first have to become a nation, and then we will evolve a flag, a flag which truly represents the nation of Canada. It is rather a coincidence that I am following my good friend the hon. member for Quebec-Montmorency (Mr. Lafreniere). I have had the pleasure of visiting him in Quebec city on two different occasions. I must say that I did not feel I was outside of Canada when I saw the fleur-de-lis flying from many of the buildings. I am sure that when they come to western Canada they do not feel that they are outside of Canada.

I believe that this whole question, Mr. Speaker, of a distinctive national flag will resolve itself as we become more and more a nation.

Mr. Speaker: Order; it is six o'clock.

Mr. Winch: I am ashamed that a B.C. member killed this bill.

An hon. Member: Who talked it out last time?

Mr. Speaker: It is six o'clock.

BUSINESS OF THE HOUSE

Mr. Habel: Could we learn from the leader of the house the order of business for next week?

Mr. Green: On Monday we shall commence with the debate on the energy bill. When that is completed, we will take item No. 7 on today's order paper, the Federal-Provincial Tax-Sharing Arrangements Act; item No. 8, the Bretton Woods Agreements Act; item No. 15, the resolution concerning Canadian National Railway Company financing; item No. 18, the resolution providing for additional judges; item No. 13, the resolution concerning the R.C.M.P.; item No. 12, the resolution concerning the Defence Services Pension Act; item No. 11, the resolution for the approval of the convention on the nationality of married women.

Hon. members will have heard the Minister of Finance say that he expected to ask for interim supply on Wednesday. There is a notice of motion which appeared on *Votes and Proceedings* today which will extend the hours of sitting of the house, in the hope we can get away before Christmas. This resolution will be taken, and I am not sure at what stage but it will be either on Monday or Tuesday.

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

ANSWERS TO QUESTIONS

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

Questions

COVERS ON GUARD RAILINGS, COTE STE. CATHERINE LOCK

Question No. 403—**Mr. Argue:**

1. Were covers or guard railings ever placed on or around hatch openings on the Cote Ste. Catherine lock by the St. Lawrence seaway authority?
2. If so, on what dates?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. Yes.

2. Installation of covers was a component part of the lock contract and this work was commenced on June 23, 1958. Guard railings were erected during October, 1958.

ST. LAWRENCE SEAWAY AUTHORITY—LIMOUSINE SERVICE, CHARGE ACCOUNT, MONTREAL

Question No. 408—**Mr. Argue:**

1. Has the St. Lawrence seaway authority a charge account with Murray Hill Limousine Service, Montreal, for cars?
2. If so: (a) what is the name of each employee or official of the seaway entitled to use the charge service for cars? (b) what amounts have been paid for this service for each year since January 1, 1955?
3. Were cars ordered for service on the seaway authority's charge account for November 11, 1957?
4. If so, (a) by whom; (b) for what purpose and for whose use; (c) what were the charges for that day?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. (a) Members of the authority:—B. J. Roberts, J.-C. Lessard; Branch heads:—A. G. Murphy or L. H. Burpee, P. E. R. Malcolm, D. W. G. Oliver, L.-A. Couture, R. J. Burnside; (b) 1955, $1,020.00; 1956, $1,163.45; 1957, $1,188.00; 1958, $1,987.25; 1959, $20.00.

3. Yes—a 14-passenger bus.

4. (a) Mr. J.-C. Lessard; (b) Afternoon visit of the seaway by board of directors, secretary and treasurer of Northern Ontario Pipe Line Crown Corporation; (c) $35.00.

Questions

ST. LAWRENCE SEAWAY AUTHORITY—LEGAL SERVICES

Question No. 409—**Mr. Argue:**

1. Are any advocates or counsel engaged on a salary basis in a legal capacity by the St. Lawrence seaway authority?
2. If so, what is the name of each, the date of engagement, salary paid, and purpose of their employment?
3. Have any outside legal firm or firms, advocates or counsel been engaged by the St. Lawrence seaway authority other than St. Lawrence seaway authority counsel, since January 1, 1955?
4. If so, (a) what is the name of each firm or person; (b) by what official of the seaway authority were they engaged, and for what reason; (c) what amounts were charged by each firm, counsel or advocate; (d) what accounts have been paid?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. Yes.

2. L.-A. Couture, February 15, 1957, $12,000, counsel, head office, to advise authority on all legal matters; John T. Carvell, April 14, 1958, $9,060, legal adviser, headquarters, in charge of drafting instruments, contracts, etc., and the conduct of individual cases under supervision of counsel.

3. Yes.

4. (1) (a) Hugh O'Donnell, Q.C., Montreal, Que.; (b) By resolution of the St. Lawrence seaway authority for the purpose of dealing with special expropriation matters on the south shore and of obtaining a writ of possession; (c) $100, $350, $767.20; (d) See (c) above.

(2) (a) Hazen Hansard, Q.C., barrister and solicitor, Montreal, Que.; (b) By resolution of the St. Lawrence seaway authority in connection with railway matters and negotiations of the authority; (c) $5,087.51, $339.10, $10,500, $1,554.30; (d) See (c) above.

(3) (a) Lucien Lamoureux, barrister and solicitor, Cornwall, Ont.; (b) By resolution of the St. Lawrence seaway authority to negotiate and settle expropriation and rental matters; (c) $462.35, $109.50, $142, $144, $41, $136.65, $223, $20, $82, $108.25, $40, $56; (d) See (c) above.

66968-9—266

HOUSE OF COMMONS

Monday, June 1, 1959

The house met at 2.30 p.m.

SUPPLEMENTARY ESTIMATES, 1959-60

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1960, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

(Translation):

PRIVATE BILLS

FOURTEENTH REPORT OF STANDING COMMITTEE

Mr. R. J. McCleave (Halifax): Mr. Speaker, I have the honour to table the 14th report of the standing committee on private bills, in English and in French.

(Text):

EXTERNAL AFFAIRS

ANNOUNCEMENT OF CONTRIBUTIONS OF FLOUR AND DRIED SKIM MILK

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, by leave of the house I should like to make an announcement respecting two important matters which are referred to in the supplementary estimates.

It will be recalled that when the heads of governments of the NATO countries met in Paris in December, 1957 I brought forward a proposal for the establishment of a food bank among the NATO countries for use particularly in the event of any outbreak of hostilities. At that time I expressed the willingness of the Canadian government to play its part in the establishment of such an institution. The house was made aware of the facts of this question on July 19 of last year, during the debate on the estimates of the Department of Trade and Commerce. Since then and throughout the year discussions have been going forward in NATO, and directly with interested countries, to determine under what conditions a Canadian contribution to NATO food stockpiles in Europe might be made. These discussions were most useful, and I am hopeful that it will not be long before it will be feasible for a Canadian contribution to be made effective.

I would therefore advise the house that the government has now decided to ask parliament to provide $10 million for the current year by an item in the supplementary estimates, such an amount to provide for Canadian flour for storage.

I would also, subject to the approval of parliament, like to say it has been decided to make available free of charge an additional 20 million pounds of dried skim milk to relief agencies, both national and international, for distribution to needy people in other parts of the world. While some of this milk will be used to meet emergency requirements, the bulk of it will be used to provide people, and particularly children, in the less developed countries with a supplementary source of food and a much needed means of balancing their diet.

Of the 30 million pounds which we set aside on the same basis for the use of relief agencies in the past year, nearly half has now been taken up by UNICEF, the Unitarian service committee of Canada, the Canadian Lutheran world relief agency, the Canadian council of churches and CARE of Canada. It is expected that the balance of the amount previously set aside, together with the additional supplies which are now being made available, will help these and similar organizations to carry on with the humanitarian work which they have been doing in other parts of the world.

These particular items are Nos. 506 and 510 respectively in the supplementary estimates.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the proposal for the establishment of a NATO food bank, which has been under consideration for some time, is one which certainly commends itself to those on this side of the house. This is one reason, Mr. Speaker, why we were somewhat discouraged a year or so ago—perhaps not as long back as that—when the United States state department representative indicated to the congressional committee that not much progress was being made in that direction. The Prime Minister has now announced that as far as Canada is concerned, a specific proposal has been made to set aside a certain amount—I think he said for flour—to initiate this NATO food bank.

If this food bank is to be successful it will have to be participated in by other NATO countries. I am not in a position now to express an opinion on whether the bank will

be more effective through the storage of flour than wheat. It is one of the things that will have to be gone into, but the principle of a food bank seems to us to be a good one, and if it can be carried out on a NATO basis it will receive support from this side.

I have read, Mr. Speaker, that recently the United States, which should be participating, of course, in this kind of enterprise, has shown more interest in the President's food for peace proposal, about which there have been discussions I think in Washington or New York, I am not sure which, recently. It is to be hoped that these two ventures will not conflict.

So far as making available skim milk powder for relief is concerned, my hon. friend the Minister of Agriculture will recall that my colleague the hon. member for Essex East brought up this matter during the discussion of the minister's estimates, I think it was, and he received a rather discouraging reply from the minister in regard to his proposal. I have understood from what the minister and others have said that it has been difficult to find relief agencies and others who are interested in the amount of skim milk we have been able to make available to them, and I hope the announcement of the Prime Minister this afternoon indicates that that particular difficulty has been overcome. I cannot think of any better way to use surpluses of this kind than for the purposes indicated by the Prime Minister.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I think Canadians are coming more and more to the point of view that Canada should lay greater emphasis on the provision of economic assistance generally and less emphasis on the provision of military equipment. We are pleased that Canada is taking this first step to promote a NATO food bank. We hope the other nations in NATO will follow suit and that this offer will be generally accepted.

I note that the government is including $10 million worth of flour. I, of course, do not know why flour was chosen instead of wheat but I think it is an acceptable move, particularly because at this time markets for flour are even more difficult to obtain than for wheat. While this is a pool to assist NATO by providing a food bank in time of emergency, we cannot help but relate it to the availability of supplies in Canada. The 20 million pounds of dried skim milk powder is a welcome contribution. In our opinion it is a very important food item and it is also an item, of course, that is in surplus supply in this country. No one can say that this is an implementation of article II of NATO, but this is certainly a step in the direction of economic assistance instead of merely providing more military assistance.

We think this proposal will meet with wide acceptance in Canada, and if it came to a choice between providing a food bank or food for peace and military aid we would much prefer an effort of this kind, rather than provide obsolete equipment to NATO. We hope that for Canada this is the beginning of further expansion in this field, and that other nations will follow in placing greater emphasis on economic co-operation.

MOTIONS FOR PAPERS

CIRCUMPOLAR CONFERENCE, COPENHAGEN, 1958

Motion No. 113—**Mr. Argue:**

For a copy of all telegrams, correspondence, reports and other documents, exchanged between the Minister of Northern Affairs and National Resources, his deputies or officers of the national museum of Canada, and any person or persons, relating to any aspect of a circumpolar conference held at Copenhagen, Denmark, on May 19, 1958.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I have no objection to this motion subject to the usual internal privileged document reservation.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservation expressed by the minister?

Motion agreed to.

YUKON-NORTHWEST TERRITORIES HIGHWAY

Motion No. 114—**Mr. Argue:**

For a copy of the contract awarded to Polar Engineering Construction Limited by the Department of Northern Affairs and National Resources in connection with the construction of a Yukon-Northwest Territories highway.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I have no objection to this motion, except that I should like to see the hon. member for Assiniboia afterwards and clarify exactly what he means by "Yukon-Northwest Territories highway". I think that can be arrived at without any change in the motion.

Motion agreed to.

YUKON-NORTHWEST TERRITORIES HIGHWAY

Motion No. 115—**Mr. Argue:**

For a copy of all telegrams, correspondence and other documents exchanged since January 1, 1957, between the Department of Northern Affairs and National Resources, and any person or persons, regarding the construction of a Yukon-Northwest Territories highway.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): There is no objection, Mr. Speaker, except with respect to the clarification I mentioned in connection with the previous motion.

Motion agreed to.

CROP INSURANCE SCHEME

Motion No. 116—**Mr. Argue:**

For a copy of all correspondence, telegrams, reports, and other documents exchanged between any department of the federal government, and each of the provincial governments, since January 1, 1957, regarding a scheme for crop insurance.

Hon. D. S. Harkness (Minister of Agriculture): This is acceptable, subject to the usual reservation and particularly to the agreement of the provinces being secured.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the reservation expressed by the minister?

Motion agreed to.

FLOOR PRICE ON HOGS

Motion No. 117—**Mr. Argue:**

For a copy of all correspondence, telegrams, reports and other documents, exchanged between any department of the federal government, and any farm organization, regarding the establishment of a floor price on hogs since November 1, 1958.

Hon. D. S. Harkness (Minister of Agriculture): This is acceptable, subject to the usual limitations.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the limitations expressed by the minister?

Motion agreed to.

FINANCE

REQUEST FOR STATEMENT ON RECENT TREASURY BILL ISSUE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, would the Minister of Finance make a statement on the important and novel financial operation announced by the government on Friday last? Perhaps in his statement he might also include an explanation as to why the announcement was not made in the House of Commons before it was given to the press.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, on Friday morning at 9 o'clock the wires, in the usual way, were delivered to those who are interested in financial offerings of this kind. The offering is an invitation in respect of up to $200 million of government of Canada one year treasury bills dated June 10 for sale through competitive tender. Payment for the treasury bills may be made in either cash or by exchange of government of Canada bonds of the issue which matures on July 1 next. Tenders will be received up to the closing hour of five o'clock on Tuesday, June 2, that is tomorrow, from primary distributors of new issues of government of Canada securities. The Minister of Finance reserves the right to accept or reject any tender in whole or in part.

This is the first time, Mr. Speaker, the government has issued or offered treasury bills of one year maturity. We have long been accustomed to bills of three months' maturity. Recently we have been offering bills with six months' maturity. The former government for several years had offered bills of a nine months' maturity. The one year maturity is a well established treasury bill in the experience of the United States.

As to the second part of the hon. gentleman's question, may I say that it has never been the practice to announce offerings of this kind in the house before they are made public. These offerings are regularly made whether of treasury bills or of bond offerings. The treasury bill tenders are invited every week. The tenders are received and opened at noon every Thursday. That has been the practice followed for a long time both with regard to the three months' treasury bills and also lately with the six months' treasury bills.

So far as bond offerings are concerned, it has not been the practice to announce these in the house. As a matter of fact, they could not be announced in the house at a good time because the house meets in the afternoon. It has been the practice of my predecessors, as well as the practice that has been observed since we came into office two years ago, that these offerings go to the primary distributors by telegram for delivery at their offices at the opening of business on the morning chosen.

Mr. Pearson: In view of the fact that the minister himself has said that this was an unprecedented offering, and in view of the fact that the information was given to the press, does the minister not think it would have been at least a courtesy to have given parliament this information at eleven o'clock on Friday morning?

Mr. Fleming (Eglinton): There was no discourtesy to the house. The information was available. If there had been any question by the hon. gentleman I would have been glad to deal with it then. As a matter of fact I rather expected that he would have had a

question. Questions have been asked repeatedly in the house about treasury bills by hon. gentlemen opposite. Their interest in this matter has been very keen. But, Mr. Speaker, the practice has not been to announce these matters in the house. If the house wishes information week by week as to treasury bills or special information of this kind, the house will certainly be given the information. But this information was made public at the same time as the telegrams of offering reached the desks and offices of those to whom they were directed.

Mr. Pearson: In view of the fact that this was an unprecedented offering may I ask the minister a supplementary question with regard to it. Is it a fact that 2½ per cent bonds maturing on July 1 will be redeemed at 101.25 per cent instead of 100 per cent if they are exchanged for the new issue? If that is the case, why was it necessary to offer this particular inducement?

Mr. Fleming (Eglinton): Mr. Speaker, the basis upon which this valuation is placed on the bonds to be turned in is contained in the following sentence in the prospectus:

> Where 2½ per cent government of Canada bonds due July 1st are offered in exchange at a valuation of 101.25 per cent they must be in bearer form with the final coupon attached or if in registered form be accompanied by proper transfer documents.

Mr. Speaker, the hon. gentleman has made quite a play on the use of the expression "unprecedented".

Mr. Pearson: You used it first.

Mr. Fleming (Eglinton): The thing that is unprecedented is simply the fact that the treasury bill has been given a 12 month maturity. I have already pointed out that we have had in this country three month, six month and nine month treasury bills. The form of the offering is new only in so far as this is a twelve month offering in place of some of those shorter maturities as in the past.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the minister whether he would explain to the house why unmatured victory bonds were called in last year, and now in effect one year treasury bills are being put in their place. Is the minister afraid of issuing a long term government bond?

Mr. Fleming (Eglinton): Mr. Speaker, I am afraid the hon. gentleman is just all mixed up. Last year what we offered was a conversion bond issue in return for victory bonds of five different maturities to the extent to which the holders were prepared to exchange them. On this occasion, those who hold this bond which matures on July 1 next have the opportunity offered to them, if they agree to exercise it, to tender for these treasury bills up to the amount stated. It is entirely a matter for their own choice whether or not they tender for these bills, and it will remain a matter for choice on the part of the Minister of Finance to accept or refuse any tender in whole or in part.

Mr. Regier: May I ask the minister why the government decided not to issue a long term government bond rather than proceed along these lines?

Mr. Fleming (Eglinton): We considered that in the public interest this was the best form of maturity to offer at this particular time for this particular amount.

Mr. W. H. McMillan (Welland): Is the minister aware that the highest United States short term treasury bill rate is 3 per cent, while our own exceeds 5 per cent, a differential of over 2 per cent?

Mr. Speaker: I think we have had a fairly complete discussion of the question initiated by the Leader of the Opposition. The hon. member for Welland has just asked a supplementary question which appears to be giving information rather than asking for it, and I suggest that we pass to the next topic.

Mr. Fleming (Eglinton): With respect, Mr. Speaker, a very misleading impression has been left by the observation which the hon. gentleman has just made, and I would ask the opportunity to set that right. Evidently the hon. member is not aware of the situation with respect to treasury bill rates in the United States. I happen to have them with me in a statement which reached my desk only today. On the 340 day bills in the United States the rate is 3.835 per cent average; on the 220 day bills it is 3.565 per cent average, and on the 1 year certificates, the 4 per cent coupon is offered on a 4.05 per cent basis.

EXTERNAL AFFAIRS

REPORTED STATEMENT BY RUSSIAN FOREIGN MINISTER IN WASHINGTON

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to give the Minister of Finance an opportunity to satisfy my natural curiosity. Can the minister inform the house whether the Washington news dispatch is correct, of date May 29, to the effect that the Soviet foreign

minister, Andrei Gromyko, informed Hon. Donald Fleming, Minister of Finance for Canada, at President Eisenhower's luncheon in the White House, on Thursday, May 28, that he still prefers the Progressive Conservative and Labour Progressive parties to all others in Canada? If so, would the minister care to comment on this provocative, evocative and projective statement?

Mr. Speaker: The question does not appear to come under any of the better known administrative responsibilities of the Minister of Finance, but since it has been asked I will not prevent the hon. gentleman from commenting if he wishes to do so.

Hon. Donald M. Fleming (Minister of Finance): The first part of the question asks me whether this news dispatch is correct. Well, the news dispatch does bear a resemblance to the facts. The hon. gentleman may recall that the late lamented Gordon Graydon, in the days when he used to be one of the Canadian parliamentary observers at the United Nations, struck up quite a friendship, among many others with Mr. Gromyko. All those who knew Mr. Graydon will recall his affability. In conversation with Mr. Gromyko at the President's luncheon at the White House last Thursday I made some reference to the late Gordon Graydon, and Mr. Gromyko remembered very well the way in which Mr. Graydon used to exchange banter with him.

In those days the word "progressive" was the favourite word in the communist vocabulary, and Mr. Gromyko did not always differentiate very clearly between political parties which embraced the word "progressive" in their names. I did not say to him, though I might have, that there is one party in this house, namely the party to which the hon. gentleman belongs, which sometimes has a little difficulty with its name, too.

Hon. Paul Martin (Essex East): A supplementary question with regard to this bit of history inaccurately accounted for in the remarks of the Minister of Finance. Is it not a fact that Mr. Gromyko told Mr. Graydon that he would become a member of the Progressive Conservative party provided the Progressive Conservative party became socialist?

Mr. Fleming (Eglinton): I do not recall that rider, but I can well guess that by the time the report passed through the hands of the hon. member for Essex East there would be some unrecognizable accretions to the story.

Inquiries of the Ministry

ST. LAWRENCE SEAWAY

WELLAND CANAL—REPORTED CONGESTION OF DOWN BOUND TRAFFIC

On the orders of the day:

Mr. F. E. Lennard (Wentworth): I should like to address a question to the Minister of Transport. Could the minister say what is being done with regard to congestion on the Welland canal of down traffic from Port Colborne?

Hon. George H. Hees (Minister of Transport): I wish to thank the hon. gentleman for having given me notice of his intention to ask this question. The hon. members from Hamilton West, Hamilton East and Hamilton South also asked this question.

Mr. Pickersgill: What about the hon. member for Welland?

Mr. Hees: As a matter of fact I have not heard from the hon. member for Welland. This congestion occurred last week and was brought about by the large volume of shipping, inward bound, which left the Welland canal during the first month of operations this year, and by the heavy surge of foreign shipping which has used the canal this season. On Friday there were reported to be 33 ships waiting at Port Colborne to go through the canal. This morning 22 were waiting, so it can be seen that the congestion has been reduced by practically one third in three days.

Two weeks ago I announced a system of priority for bulk carriers carrying supplies which are vital to the industries of North America, enabling them to pass through the canal more quickly. That system of priorities is still in operation. I hope the congestion at Port Colborne will be materially reduced during the next few days, and I feel sure that the system of priorities introduced two weeks ago will greatly assist ore and other carriers to pass through the canal more quickly.

Hon. Lionel Chevrier (Laurier): Can the minister tell me whether the report which appeared recently in *La Presse* of Montreal to the effect that his department is carrying on a study of the economics and costs of duplicating the single locks on the Welland canal is accurate?

Mr. Hees: No, Mr. Speaker. I spoke with a gentleman from *La Presse* in Montreal a week or so ago when I was down there for the christening of one of our ships, and I told him that we were looking into the possibility of putting in tie-up walls between several of the locks so as to facilitate the movement of ships, and also examining the time taken at the lock gates on the Welland

canal as compared with that taken at the newer lock gates which have been constructed in the seaway proper to see if the time saved would warrant the necessary expenditure on the older locks.

HEALTH AND WELFARE

REPORTED DENIAL OF MEDICAL BENEFITS TO SWIFT COMPANY EMPLOYEES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to address a question to the Minister of Labour arising out of a telegram I have received from Mr. D. Thomson of Winnipeg stating that while Canada Packers and Burns and Company have granted medical coverage to their Canadian employees, Swift and Company, a United States corporation, refuses to permit its Canadian subsidiary to enter into a similar agreement.

Has the minister received a similar telegram, and what action can the minister take to see that this kind of coverage is granted industry-wide?

Hon. Michael Starr (Minister of Labour): I received a message this morning to that effect. In reply I must inform the hon. member that the setting up of health and welfare benefits by employer and employees on a participating basis is a matter for collective bargaining. Labour legislation covering the meat packing industry rests entirely with the provinces, and I suggest that the only action which could be taken rests with the provinces.

Mr. Argue: Mr. Speaker, I wonder if the minister would have any comment to make on that particular part of the statement wherein it alleges that a United States company is to prevent—

Mr. Speaker: Order. I think any further questions become out of order by reason of the fact brought out by the minister that these companies are subject to provincial jurisdiction rather than federal, and that it is not a matter under his administrative responsibility.

AGRICULTURE

SKIM MILK POWDER—REFERENCE TO STATEMENT BY MINISTER

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Agriculture how he reconciles the statement he made in this house at page 2963 of *Hansard* of April 23, 1959, when he was reported as saying—

—it is apparent that our production of skim milk powder must be reduced—

[Mr. Hees.]

—with the statement made earlier in the day by the Prime Minister with regard to moneys being provided by Canada for allocating skim milk to the international food bank about which he made reference, and whether or not—

Mr. Speaker: Order. I ask the hon. member who is pursuing this matter whether it would not be better to deal with it when these supplementary estimates come before the house, as they undoubtedly will in a very short time. It seems to me that if he is asking for an explanation and justification it would be more appropriate to have the matter dealt with in debate.

Mr. Martin (Essex East): Well, Mr. Speaker, the estimates of the Minister of Agriculture have been completed—

Mr. Speaker: I was referring to the supplementary estimates.

Mr. Martin (Essex East): Yes, I know. I was about to say that the estimates of the Minister of Agriculture have been completed. The supplementary estimates, as Mr. Speaker knows, are generally prosecuted by the Minister of Finance. In any event my second question is very important. In view of the announcement made by the Prime Minister does the Minister of Agriculture not think he ought to review his judgment and restore the 5 cents to the floor price on skim milk, the reduction of which he announced a few months ago in this house?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, apparently the hon. gentleman does not appreciate what the situation is in regard to skim milk powder. The 50 million pounds which the Prime Minister has announced will be available in toto, of which some 15 million pounds have already been taken and a few million more have been more or less contracted for, will not remove the surplus which we hold at the present time, let alone take care of any further amounts which we may obtain during the present period and up to the end of September when the present purchase program for dried skim milk will come to an end.

AIR TRANSPORT

GANDER—REPORTED IMPOSITION OF FINES ON AIR LINES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. Is the minister aware of a British United Press release issued this morning to the effect that fines were levied against two air lines at Gander because of

alleged infractions of the quarantine, immigration and sick mariners regulations? Has he taken cognizance of the fact that air line pilots threatened today to boycott Gander airport and use other refueling stops on the trans-Atlantic run?

I wonder if the minister would be good enough to comment on this. Unfortunately I did not send him notice, but perhaps he could comment without having had notice.

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker, I heard this report. I understand that the people concerned are employees of departments other than my own. We are having it looked into right away.

IMMIGRATION

FURTHER UNFAVOURABLE PUBLICITY IN U.K. NEWSPAPER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration. Has the minister's attention been drawn to what appears to be a factual account in a recent issue of *The People,* published in London, England, of the difficulties facing highly skilled, industrial craftsmen who emigrate to Canada from Britain, under present conditions as the result of what is stated to be an almost total failure of co-ordination between the unemployment authorities in Canada and our immigration officials overseas? If so, has the minister investigated the circumstances mentioned with a view to making any necessary correction in administrative procedures?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, one day last week I answered a question asked by the hon. member for Assiniboia with reference to the reports which have been appearing in *The People.* I have not seen the actual report to which the hon. member refers, but I have seen some of the Canadian press comment on that report.

In so far as the reporting of *The People* is concerned, I think I answered that last week. With respect to co-operation between the national employment service and this department I may say that it has always been very close, and the information that is given to our offices overseas is given only after careful consideration and with the approval and co-operation of the national employment service.

Mr. Herridge: A supplementary question, Mr. Speaker. The report on which my question was based is contained in the most recent issue of *The People,* which I think is in much better tone. It seems much more factual than the previous articles. Would the minister look into those articles?

Mrs. Fairclough: Well, Mr. Speaker, we look into all these allegations whether or not they appear to have any basis in fact. I think what I said a few moments ago is about as far as I can go. If there was any suggestion that there was lack of co-operation we would immediately investigate it without waiting for the sensational news report of *The People.*

PAY DEDUCTION FROM IMMIGRANTS ATTENDING COURT FOR CITIZENSHIP CERTIFICATES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Would the minister investigate the possibility of discouraging certain corporations from deducting wages from new Canadians who are obliged to attend court to try their examinations and receive their certificates when making application for citizenship?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, if this has happened in a court located in the same city as the industry concerned I am sorry to hear about it. I do not think it is usual, but I am afraid, in so far as the department is concerned, there is no action that can be taken in the matter. It would be a voluntary courtesy on the part of the industry itself to the employee.

INDUSTRY

HAMILTON, ONT.—REPORTED CLOSING OF TEXTILE PLANT

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Prime Minister. Has the Prime Minister received advice concerning the proposed closing of the large Canadian Cottons textile plant at Hamilton? If so, is he in a position to say what action the government is contemplating that will provide employment to the workers concerned?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I noticed in the press that the textile plant in question was closing. In so far as providing alternative employment is concerned, that is a continuing problem which receives the fullest consideration by the government.

Inquiries of the Ministry

ROYAL VISIT

REQUEST FOR BILINGUAL PRINTING OF TOUR BROCHURE

On the orders of the day:

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. In view of the fact that the official program for the royal tour has been printed in English only by the Canadian government travel bureau under the authority of the minister, and also in view of the fact that protests have been filed with the bureau, I wonder if the minister would be kind enough to see that this situation is remedied and that the program is printed in both official languages of Canada.

I would also like to say that Her Majesty is going to visit Chicoutimi, Jonquiere and Kenogami, and these three names do not appear in the official program.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I received notice of this question over the lunch hour. I have not been able to get the full story, so I will have to tell what I know from memory.

The Canadian tourist association wrote the Minister of Transport about having a brochure of the royal tour printed. The minister wrote my department, under which the travel bureau comes, and asked if we could provide some sort of brochure for the royal tour. One was produced and I see that it went beyond the actual confines of the brochure as originally conceived and contains something of the itinerary.

The travel bureau prints these documents for distribution in the United States, and I understand that some will be available for distribution in Canada. The department has not followed the practice of printing these in French. May I point out that this is not the official itinerary. If the hon. member wishes to inquire about it, I suggest that he direct an inquiry to the appropriate minister.

HOUSING

ST. JOHN'S EAST, NFLD.—INQUIRY AS TO COMMENCEMENT OF LAND ASSEMBLY PROJECT

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Would the minister please advise the house when he expects the land assembly project in St. John's East, Newfoundland, will begin?

[Mr. Diefenbaker.]

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, a land assembly project in St. John's, Newfoundland is presently under consideration, but as yet no definite announcement can be made as to date of commencement.

TRANSPORT

GREAT SLAVE LAKE—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION OF RAILWAY

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I should like to direct a question to the Prime Minister in regard to the Pine Point railway. I would like to refer to the Powell River *Digester* of March-April, 1959. There is an article in this *Digester* written by Hon. Alvin Hamilton, which reads in part as follows:

> The time honoured means of transportation—by rail—is also to add its quickening influence to the development of the north. The federal government's decision that a railway connection is to be extended to the south shore of Great Slave lake is another good omen for the early opening of a new and exciting chapter in the economic development of Canada's last frontier.

Can the Prime Minister tell the house when the decision was made, if there has been a decision made, and when the start will be made on the construction?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will have to see the article in question before making any answer.

TRADE

INQUIRY AS TO FRENCH EDITION OF "TRADE AND COMMERCE"

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Can the minister tell the house why the supposed to be French equivalent of the publication *Trade and Commerce*, namely *Commerce Exterieur*, is not as complete and is published monthly only, when *Trade and Commerce* is published bi-monthly.

Hon. Gordon Churchill (Minister of Trade and Commerce): I did not receive notice of the question, Mr. Speaker, and I will take it as notice.

GRAIN

REPORTED DROP IN SHIPMENTS FROM LAKEHEAD

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce, arising out of the very drastic reduction in shipments of

grain from the lakehead. Can the minister explain why shipments from the lakehead since the opening of navigation have dropped from 86 million bushels last year to only 42 million bushels this year, and whether anything is being done to speed up shipments through the St. Lawrence seaway?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, this question in almost similar form was asked ten days ago. Already today the Minister of Transport has given an explanation with regard to shipping facilities on the great lakes. I do not know whether my hon. friend from Assiniboia is attempting to cause some alarm with regard to the situation but, as I pointed out ten days ago, our export market has not been interfered with at all because grain has been in position in the elevators on both coasts, and our export of wheat and flour up to the end of March of this year has just been 9 million bushels below the same period last year.

Now, if the hon. member for Assiniboia is worried about producers' marketing deliveries to the country elevators, may I assure him that for the period of the crop year up to May 20, 1959 wheat delivered by producers exceeded that delivered for the same period last year. The same is true for barley and flax; it is a little bit down on oats and rye. The general situation with regard to producers' marketing is just about the same as a year ago.

If he has any further worry with regard to the quota distribution in the prairie provinces, may I assure him that this year at this time there are 264 stations on a 7-bushel quota per specified acre; last year there were none. This year there are 308 stations on a 6-bushel quota per specified acre; last year there were 341. Generally the picture is much better than it was a year ago.

Mr. Argue: Mr. Speaker, I wanted to know whether there might be some improvement in this very drastic reduction in shipments out of the lakehead, and I am asking the minister whether he can make any statement on that point. I would like him to comment as to why almost consistently since the opening of navigation Canadian exports are down this year as compared with a year ago.

Mr. Churchill: Mr. Speaker, that last statement is quite incorrect. Canadian exports are holding up extraordinarily well.

Mr. Argue: I am not talking about the year in question; I am talking about recent weeks since the opening of navigation. The graph put out by the minister's own department shows a very substantial reduction. I can send it across to the minister.

Mr. Churchill: There was a delay in the opening of navigation this year, as my hon. friend knows, because of ice conditions not only in the canals but at the lakehead, and there has been some difficulty in the speeding up of shipping on the lakes; but I do not think there is any need now for despair, gloom and despondency, of which my hon. friend is a great purveyor.

Mr. Argue: Mr. Speaker, the minister has told us that shipments out of the lakehead did not reduce overseas clearances, yet—

Some hon. Members: Order.

Mr. Argue: I ask the minister how he relates his comment now that exports are down because of the delay in the opening of the navigation season with his previous statements. He cannot have it both ways.

Mr. Churchill: I explained with regard to our exports overseas that grain was in position at the elevators in eastern Canada and on the west coast. They have been full, and grain has been moved from there as it has every year. The same is true of the elevators at Fort Churchill, from which 20 million bushels will be used as soon as navigation opens there. I do not think there is any need for alarm with regard to our export position.

Mr. Argue: On a point of order, I did ask a very proper question, I feel, that had nothing in it about alarm. I was merely trying to get from the minister in charge a statement as to whether or not this drastic reduction might be overcome in the weeks ahead. It was a very simple and very proper question, and I am asking the minister when this increase is likely to come about.

Mr. Speaker: I suppose the hon. member might raise a point of order on the nature of the answer, but I do not know what his point is, if he has one.

Mr. Argue: My point is that I asked a very simple question and the minister has talked about everything else. I asked him a simple question and—

Some hon. Members: Order.

Mr. Argue: I asked him the reason for the reduction in the shipments and whether this difficulty was likely to continue in the future.

Mr. Speaker: I suggest that the hon. members may find another time and occasion to carry on this dispute.

National Energy Board

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

The house resumed, from Friday, May 29, consideration in committee of Bill No. C-49, to provide for the establishment of a national energy board—Mr. Churchill—Mr. Rea in the chair.

On clause 47—*Revocation and suspension of certificate.*

The Chairman: When the house rose on Friday last we were discussing clause 47 of the bill and the amendment proposed thereto by the hon. member for Burnaby-Coquitlam. Is the committee ready for the question on the amendment?

Mr. Regier: Mr. Chairman, at the time the committee concluded the discussion last week I had moved, as you have indicated, an amendment to the effect that we omit from clause 47 the words "with the approval of the governor in council". I should like to remind the committee that clause 47 reads:

(1) Subject to subsection 2, the board may by order, with the approval of the governor in council, revoke or suspend a certificate—

—and so on. I would like to underline the word "may". When the minister replied to our amendment on the first occasion he indicated that there might be times and conditions under which a company that had received a certificate should not automatically be obligated to lose its licence or its certificate. He indicated that certain unforeseen conditions might arise. However, it is our submission that the bill as it reads enables the energy board to take such matters into consideration, in that the clause provides that the board may revoke or suspend a certificate once it is issued if the terms and conditions of the certificate are not, in the opinion of the board, being complied with. We feel that the word "may" is the important word and that the board would act in the national interest and would take all circumstances into adequate consideration. We do not see why the governor in council or government of the day should want to delegate unto itself the authority to police the implementation of the act.

I can remember well that a number of years ago we were considering in the house a pipe line company that had been issued a permit to build a trans-Canada natural gas pipe line. Time after time this particular pipe line company was unable or unwilling to meet the terms and conditions upon which it had been granted its rights. I can remember the Conservatives, who were in opposition at the time, asking the government of the day to enforce the terms and conditions that had been imposed upon Trans-Canada Pipe Lines Limited, but the government of the day procrastinated and continued to procrastinate. Six month extensions were granted one after another until many years elapsed from the time the pipe line was to have been built until it actually was built.

The Conservatives in the house at that time expressed the opinion that the government of the day ought not to extend indefinitely the rights obtained by this pipe line company, and that if the company was unable to meet the terms and conditions which it had agreed to meet it should move out of the way and allow the formation of another pipe line company which would meet the needs of the Canadian nation in this regard. But here we have the Conservatives in office and asking that they be granted in this bill the same rights that were being exercised at that time by Right Hon. C. D. Howe. They are asking that we deny the energy board the right of enforcement of the terms and conditions attached to certificates. We find that the cabinet wants to retain this authority for itself.

We feel that once the energy board has recommended the issuance of a certificate and has set the terms and conditions the company must meet, once these terms and conditions have been reviewed by the cabinet and approved, thereafter the energy board, having issued a certificate either to build a pipe line or an international power line, should have the right to police the terms and conditions. In other words we believe that political considerations should not be a factor with regard to whether or not a company will be allowed to retain its certificate indefinitely irrespective of whether it obeys or flagrantly violates the terms and conditions to which it agrees. We cannot understand why the cabinet wants the authority to police the implementation of the conditions attached to the issuance of the certificate.

I remember quite well that on another occasion several years ago the house had under consideration the extension of the powers of the governor in council under the Emergency Powers Act. In my opinion one of the strongest arguments put forward by the Conservatives, then in opposition, against the extension of the Emergency Powers Act was, as one of their members said at that time, that this would allow the government to aid and abet any corporation politically friendly to the government in office, and would also enable the cabinet to extinguish completely

a Canadian corporation that did not subscribe to the particular political aspirations of the government in office. That was when the Conservatives really put on a fight in the house. That was the beginning of the road into office for the Conservative party.

Yet now that they are in office they are in effect, in expressing their non-approval of the amendment, asking for the very same authority, the authority to reward their friends and punish their enemies, an authority which in years gone by they regretted was being held by the Liberal government of the day. We contend that once the rules of the game have been established by the energy board and approved by the government of the day the board should be allowed to be the referee. We should give the energy board the authority to enforce, wherever they may deem it advisable, the terms and conditions of the certificate.

Amendment (Mr. Regier) negatived: Yeas, 4; nays, 58.

The Deputy Chairman: Shall clause 47 carry?

Mr. McIlraith: No, Mr. Chairman. In explaining this clause on Friday last the minister indicated that it was modelled on section 3 of the Exportation of Power and Fluids and Importation of Gas Act, and left the matter there. On checking that section I notice that a substantial change seems to have been made in the bill now before the committee. I wonder if the minister would explain why the change was made, and the purpose of the change.

Mr. Churchill: Mr. Chairman, what is the substantial change to which the hon. member is referring and about which he wishes an explanation?

Mr. McIlraith: The former legislation provided an opportunity for any person licensed and in business, if he was not complying with any term or condition, to be given notice to bring himself into compliance with the term or condition. Under those circumstances the licence could not be revoked. Now a person has no protection; the new legislation gives him no protection at all.

Mr. Churchill: I fail to understand that. Does not subclause 2 cover everything the hon. member has in mind? It reads:

> No order shall be made under this section unless notice has been given to the holder of the certificate who is alleged to have violated or failed to comply with any term or condition thereof and an opportunity has been afforded to him of being heard.

Mr. McIlraith: Perhaps I had better explain more fully the point I have in mind. The clause before the committee now reads in this way, clause 47 (1):

> Subject to subsection (2), the board may by order, with the approval of the governor in council revoke or suspend a certificate if, in the opinion of the board, the person to whom it was issued has violated or failed to comply with any term or condition thereof.
>
> (2) No order shall be made under this section unless notice has been given to the holder of the certificate who is alleged to have violated or failed to comply with any term or condition thereof and an opportunity has been afforded to him of being heard.

It will be noted that if there is an allegation of failure to comply with a term there is an opportunity of being heard; but the board, after the hearing, may still revoke the licence. The relevant part of section 3 of the exportation of power and fluids act provides, as follows:

> A licence granted under this section may be revoked if the governor in council is satisfied that
>
> (a) the licensee has refused or neglected to comply with any of the terms or conditions of the licence—

That is practically the same in its meaning.

> (b) notice of such refusal or neglect has been sent to the licensee, and
>
> (c) the licensee has, after receiving such notice, refused or neglected to comply with any such terms or condition.

The point is that under that legislation the licensee had an opportunity of bringing himself into full compliance with the terms and conditions. Under the legislation now before the committee the licensee may neglect or fail to comply with some term or condition, and it is quite true he is given notice, but the board still has the power to revoke his licence even though the licensee has brought himself into full compliance with the terms and conditions. What I fear in that is that we are putting these licensees in a position of uncertainty that is not going to be helpful to all concerned. I would fear, looking at the clause, that it is something more than was intended when the legislation was being considered.

Mr. Churchill: I do not think it was intended to be more stringent than the provision in the exportation of power and fluids act. I see the hon. member's point, that the wording in that act permits the licensee to restore his position. We thought the fact that there was a hearing, or an opportunity to state his position, would obviously lead him to restore himself to the position in which he was before if he inadvertently failed to comply with some of the terms or conditions.

In any event there is a further protection, is there not, in that if the board errs in making an order after the licensee has complied with the conditions, the governor in council has a chance to review that decision because the approval of the governor in council is required. May I assure my hon. friend that

there was no intention of making it more stringent than the old clause. I feel that the new wording is not overly severe and that the licensee, because of the public hearing, will have a chance to get his position understood by the board.

There was not a hearing in the exportation of power and fluids act. There was first the alleged refusal or neglect to comply with conditions, then the notice, and then the order if the licensee refused or neglected to comply with the terms or conditions. The hearing provides him with an opportunity to appear and state his case, and this opportunity was not granted to him under the other legislation.

Mr. McIlraith: I am afraid it is not quite as simple as that. It is reasonable to assume that there will be terms and conditions to a great many of these licences, some of them of a fairly technical nature but not, in themselves, of major importance. We are being asked in the present bill to give the power of revocation of a licence because of neglect to comply with one of such terms or conditions, an absolute power of revocation. I am suggesting to the minister that this provision is much more severe than the facts warrant in such cases, and that the effect will be to leave a cloud hanging over these licences that may do the very thing the minister desires not to do.

He spoke, at several earlier stages of this bill, of the necessity for large investment in these operations. It is clauses such as this one that make the obtaining of such investment needlessly difficult. What we want to be sure of here is a proper hearing and proper protection when licences are granted, and once they are granted we do not want to give a right to revoke a licence needlessly. I feel this is the real point, and I believe it is something that should be investigated because of the fears I have mentioned.

Mr. Churchill: I certainly appreciate the hon. member's views on this matter. He quite approves of the review by the governor in council or the approval of the governor in council being required before orders such as these are made. I believe there is sufficient protection because of that opportunity for the person to be heard. The board would hold a hearing and then make its findings after a full discussion of all the facts involved. This is like clause 44, in which the approval of the governor in council is required.

The seriousness of the whole situation I pointed out, myself, when we were debating this on Friday. We appreciated that in both instances, in the granting of the certificate and second in a case where it had to be revoked. We were relying on a public hearing in both instances, and then an actual act by the board by way of an order which finally had to come to the governor in council for approval. I think in both instances there is sufficient protection.

Mr. McIlraith: There is one small point that perhaps I should clarify first. I do not want my remarks on this section to necessarily indicate approval of the governor in council. I merely took the position that as the minister will recall, having granted that power in clause 44 it seems to me that it is necessary to grant it here. I do not want to raise or reopen that matter.

Mr. Churchill: I realize the situation.

Mr. McIlraith: I think I had better bring the matter to a head. I think there should be an amendment to this clause. I therefore move:

That section 47 of Bill C-49 be replaced by the following:

"A certificate may be revoked or suspended by the board, with the approval of the governor in council, if the board is satisfied that:

(a) the holder of the certificate has refused or neglected to comply with any of the terms and conditions of the certificate;

(b) notice of such refusal or neglect has been sent to such holder; and

(c) the holder has, after receiving such notice, refused or neglected to comply with any such term or condition."

Perhaps I do not need to elaborate on it.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. McIlraith) negatived: yeas, 13; nays, 30.

The Deputy Chairman: I declare the amendment lost.

Clause agreed to.

On clause 48—*Compliance with conditions and Act.*

Mr. Robichaud: This clause makes it a condition that the person to whom a certificate is issued shall comply with the provisions of the act and the regulations as in force at the date of the issue of the certificate and as subsequently enacted made or amended. Can the minister explain why these words have been included, "and as subsequently enacted, made or amended"?

Mr. Churchill: I think the reason it is drafted in this way is that from time to time there has been uncertainty as to a clause of this nature respecting regulations. People will say, "Are they the regulations presently in existence or the regulations which you

are going to put into effect shortly or the regulations which may subsequently be subject to amendment?" It has been spelled out here as follows:

—and the regulations as in force at the date of the issue thereof and as subsequently enacted, made or amended,—

That is done in order that there may be no lack of clarity in the section.

Mr. McIlraith: It could very well be a prohibitive amendment in so far as a particular company is concerned. It seems to me that this is another example where, without any adequate explanation, we are doing something that gives more insecurity to these licencees, and that we are by this clause creating a condition where we are deterring capital investment which we admittedly need in this enterprise and in this whole field.

Mr. Winch: That is the one section of this act with which I agree.

Mr. McIlraith: Does the hon. member mean that he agrees with the principle of retroactive legislation? That is what this section means.

Mr. Winch: I do not see how you can do anything else.

Mr. Martin (Essex East): After listening to the hon. member for Ottawa West I think the minister should give us some explanation. We can all appreciate, of course, the desirability of regulations that will have the effect of protecting the public. But my impression is that these words are unusual, certainly in their present application. The regulation could be of such a kind, as the hon. member for Ottawa West has said, as to be prohibitive or to be impossible of performance. At the moment I cannot think what such a regulation would be, but it is conceivable that if the governor in council, for some reason or another, wished to avoid the continuance of benefit of a particular holder of a certificate, the governor in council might well pass a regulation which could not possibly be met by the owner of the certificate at the time. In the absence of some comment by the minister on the point made by the hon. member for Ottawa West, it would seem to me that the suggestion he has made is valid indeed.

Mr. Churchill: I perhaps do not fully appreciate the reasoning of my hon. friend, who is generally so fair about all these things. The assumption is that people will abide by the act and by the regulations. I have pointed out that in order that there may be no doubt about what regulations are meant, lines 10 and 11 have indicated that situation more fully. Then of course my hon. friend recognizes the fact that acts are sometimes subject to alteration in subsequent sessions. This clause ensures that, despite changes of that nature in the act or in the regulations, the holders of certificates are expected to comply.

Mr. Martin (Essex East): I am not satisfied. If section 48 said that the certificate in the situation outlined could be withdrawn on an order of the board, that would make me feel a little more comfortable. But under this act the governor in council is empowered to make regulations. Notwithstanding the generality of the foregoing and so on. The governor in council is given authority to make regulations. We are jealous on this side of undue power being entrusted to the executive in a matter of this sort.

Mr. Winch: Ye gods.

Mr. Martin (Essex East): Therefore we have the right to say that since the governor in council has power to make regulations, it is not fanciful to suggest that the governor in council, as distinguished from the board, might make a regulation that would prevent the continuation in benefit of the holder of a certificate. It seems to me that my hon. friend, who will remember the position which his party took on this kind of matter with regard to legislation before this house in recent years, will see the wisdom of the course that we are taking in our discussion at the present time.

Clause agreed to.

On clause 49—*Exemptions.*

Mr. Churchill: There is an amendment here. Perhaps we could have the amendment first and then comment on it. The suggestion here is that clause 49 should be amended by striking out line 18 which reads "this part relating to location, construction or operation of lines" and that the words "sections 25 to 28" be substituted. My colleague will move the amendment.

Mr. Green moved:

That subclause 1 of clause 49 be amended by striking out the words "this Part relating to location, construction or operation of lines" in lines 18 and 19 and that the words "sections 25 to 28" be substituted therefor.

Mr. Pearson: This amendment does not remove my desire to ask a question on this clause. In view of the fact that under this clause the government could exempt any pipe line from the regulations contained within the clause and the amendments, why was it necessary to put in the words "not exceeding in any case a length of 25 miles"?

Mr. Churchill: Clause 49 is modelled on section 37 of the Pipe Lines Act. There is

no change in that wording. The limit to the length of the line which may be exempted is still 25 miles, just as it reads in the Pipe Lines act.

Some hon. Members: No.

Mr. Churchill: But this limit may now be raised in any specific case if the approval of the governor in council is obtained.

Mr. Winch: That is the very point. Under the original wording the board is absolutely supreme up to 25 miles. There is an amendment now being suggested, and I think I agree with the amendment as far as it goes, but it does not go far enough because there are still left in the words "or such other length as the governor in council may prescribe." I personally have no criticism of the fact that the board might have the power to make exemptions in certain circumstances when the line does not exceed 25 miles in length, but I cannot understand why the governor in council should be given authority to make exemptions covering lines longer than 25 miles. The lines subject to such exemptions could go right across Canada. Under this clause as it reads at present there is actually authority to construct a second trans-Canada pipe line, exempted from all the regulations and rules of this entire bill at the whim and purpose of the governor in council.

Surely if this act means anything at all, regulations, once they have been made, should be enforced. Surely the exemptions from the provisions of this bill of lines up to 25 miles is sufficient. When I said "ye Gods" a few moments ago I was referring to some of the acts which are already on the statute book and to what the hon. member has just said about the power of the executive cabinet. As long as these words "or such other length as the governor in council may prescribe" are left in the bill complete authority is given to the governor in council to wipe out this entire bill together with all its regulations and provisions, setting aside all questions of financial conditions, locations and operation across the length and breadth of Canada. That is exactly what these words mean.

I do not know just how to proceed, now that the leader of the house has moved an amendment, but I certainly wish to suggest an additional amendment to the effect that subclause 1 of clause 49 be amended by deleting the words "or such other length as the governor in council may prescribe".

The Deputy Chairman: Order.

Mr. Winch: I said I was not quite certain how to proceed but that I should like to have this done. I thought I had made that clear. If these words remain in the bill one might as well wipe out all these powers as far as parliament is concerned.

Mr. Robichaud: Before a decision is taken on the amendment which the leader of the house has proposed, may I say that I intend to move an amendment which deals particularly with the points which have been brought up by the hon. member for Vancouver East. I think in respect to the words "or such other length as the governor in council may prescribe" that this is a function which should be exercised by parliament and not by the governor in council. Therefore, as soon as the amendment moved by the leader of the house has been taken care of, it is my intention to move the amendment to which I have referred.

Mr. Winch: Me too.

Mr. Churchill: First, I should like to say a word by way of explanation. I admit the force of the argument made by hon. members with regard to what may happen under certain conditions which they envisage. But what was intended was by no means as serious as they have been pointing out. What was intended was to make it not too inconvenient for the industry if a line exceeding 25 miles in length—perhaps only 26 miles long, or something like that; a few miles longer—were to be constructed. This would relieve the sponsors from the necessity of going back and undertaking the whole procedure of obtaining another certificate of public convenience and necessity. That was the reasoning behind this phrase—to make things a little less inflexible. But when the imagination of hon. members opposite carries them to the extent of distances such as 2,700 miles, the clause is put into a somewhat different light. If the committee will consider the amendment which has been moved already by the Minister of Public Works, I believe my colleague will put forward a second amendment which will meet all the wishes of the opposition.

Amendment agreed to.

Mr. Green moved:

That the words "or such other length as the governor in council may prescribe" be deleted from clause 49.

Mr. Winch: Hear, hear.

Mr. Robichaud: We have heard the amendment moved by the leader of the house, and we of the opposition accept it and wish to thank the minister for having taken our wishes into consideration.

Mr. Winch: I have already said "hear, hear". I do not want to say any more.

Amendment agreed to.

Mr. Herridge: May I say that I am in entire agreement with my hon. friend. Had the government taken another course I was ready to intervene at some length. I can recall, in one case which came before the courts, a defendent using a minister's interpretation of a bill in an effort to show what the legislation was intended to do, and the judge telling him that it was not what the minister said in the house or anything else that mattered when it came to interpretation, it was simply the wording of the act.

Clause as amended agreed to.

Clause 50 agreed to.

On clause 51—*Tolls to be approved.*

Mr. Herridge: Mr. Chairman, while the vote on our last amendment was being taken I distinctly heard the tall and elongated hon. member for Halifax refer to this group as dedicated dough heads. I think that is getting marginal as far as parliamentary language is concerned. My colleagues remind me that a speech made by one of the so called dedicated dough heads prior to my rising influenced the Minister of Public Works to rise and move an amendment along the lines he suggested. I do not think, therefore, it is fair to refer to this small but hard working group as dedicated dough heads.

It is not my habit to indulge in unparliamentary language but when I look at the hon. member he reminds me of my asparagus patch and of the fact that the higher you go up an asparagus stalk the softer and less useful it becomes.

We take strong exception to clause 51 because it differs entirely from the recommendations of the royal commission on energy. I want to place on the record a few of those recommendations and a paragraph commenting upon them. The commissioners dealt at considerable length with this problem. At page 27 of the report we find recommendations in this respect as follows:

> The commission recommends:
> 1. That the Pipe Lines Act, R.S.C., 1952, Chapter 211, be amended to provide that:

That, of course, refers to the Pipe Lines Act as it then stood. I continue:

> (a) It shall be mandatory for the Board of Transport Commissioners for Canada to exercise the powers conferred upon it under part II of the Pipe Lines Act, with respect to the regulation of the traffic, tolls or tariffs of oil pipe-line companies subject to the jurisdiction of the parliament of Canada.
>
> (b) It should not be a condition precedent to the exercise of such powers that an oil pipe-line company be declared to be a "common carrier";
>
> (c) It shall be mandatory for the Board of Transport Commissioners for Canada to regulate the prices of rates of gas pipe-line companies subject to the jurisdiction of the parliament of Canada, and, in so doing, to require, if necessary, any such gas pipe-line company to renegotiate the terms of any existing contracts for the sale or delivery of gas for distribution or consumption within Canada;
>
> (d) It shall be mandatory for the Board of Transport Commissioners for Canada periodically, and at least once in every 24-month period during the early years of regulation, to review and, if deemed necessary, to adjust the prices, tolls, rates and tariffs of pipe-line companies regulated by it;

At the conclusion of the recommendations the report states:

> That the prices, tolls, rates or tariffs of a company owning or operating an oil or gas pipe line, as regulated by the Board of Transport Commissioners for Canada, should be just and reasonable, non-discriminatory and calculated to yield a fair rate of return on the shareholders' equity, after making due allowance for reasonable and proper operating expenses, depreciation, interest, income and other taxes.

We agree with that recommendation. In commenting on the recommendations, the commissioners say:

> Although the Pipe Lines Act gives the board of transport commissioners the authority to regulate the traffic, tolls or tariffs of oil pipe lines, subject to the jurisdiction of the parliament of Canada, this authority has not been exercised, although the board did conduct a formal hearing on a complaint raised by a shipper of crude oil. No regulatory body of the government of Canada has the authority at the present time to regulate the selling prices or transportation charges of gas pipe lines subject to the jurisdiction of the parliament of Canada. The commission considers that a more positive and active approach to the question of regulation has now become necessary.

The members in this group agree 100 per cent with that opinion of the royal commission. I go now to another paragraph in the commentary:

> In view of the great need of the Canadian economy for supplies of heat and energy producing fuels, it is desirable to ensure not only that adequate supplies are available at all times, but also that prices are kept at a reasonable level. As crude oil and natural gas must be moved over long distances to reach the principal market areas of Canada, transportation charges must be no more than are fair and reasonable. The commission is of the view that the board of transport commissioners should have all the powers needed for the regulation of the prices or rates, traffic, tolls or tariffs or pipe-line companies subject to the jurisdiction of the parliament of Canada.

We believe those are very wise recommendations and comments. We believe it is very necessary that the national energy board have the same responsibilities in this respect as the public utilities commissions in the provinces. In British Columbia power companies, provincial transportation companies such as bus and trucking firms, public carriers and telephone companies, go before the public utilities commission in order to have their rates established by that body. That has been found an excellent practice since it began. It is not

a question of those companies establishing rates and then going into operation and the commission reviewing them after some period, but before they are established they must be set on the basis of an order from the public utilities commission.

We believe for the protection of the interests of industry and of the Canadian people generally the same practice and procedure should be followed in this bill and that we should accept the recommendations of the royal commission in this respect. I therefore move seconded by the hon. member for Vancouver East:

That section 51 be amended by inserting the words "and approved by" after the words "filed with".

The Chairman: Is the committee ready for the question?

Mr. Herridge: Mr. Chairman, we in this group would just love to hear some comment from hon. members in the Liberal party on this matter. I am sure that the hon. member for Essex East has some contribution to make.

Mr. Winch: This amendment is so necessary and fundamental it will be accepted as was the previous one.

Mr. Martin (Essex East): Mr. Chairman, since my name was mentioned perhaps I should observe that we thought it was so obvious as not to require further comment.

Mr. Herridge: And so, Mr. Chairman, the so-called dedicated dough heads again have had some influence on this committee.

Mr. McCleave: Mr. Chairman, the dedicated dough heads have a large amount of crust and that is about all.

Mr. Churchill: Mr. Chairman, I was just giving consideration to the amendment which seeks to insert the words "and approved by" in addition to the requirement for filing. I rather question the necessity of having the approval of the board before the filing of the tariff because there are ways and means of dealing with these tariffs after the board has had a chance to look at them. I would draw attention to clause 53—

The Deputy Chairman: Has the minister the amendment? The amendment inserts the words "and approved by" after the words "filed with".

Mr. Winch: I point out to the minister that there is nothing in the previous clauses, as I read them, which states that filing means approval. I know there are other acts, such as the Transport Act, where it can be taken for granted. Is there any objection to it? I am certain that the intent of the minister was that filing automatically included approval; otherwise it would have no meaning at all. What we are asking is that we clarify it by inserting the words "and approval by" after "filed".

Mr. Churchill: We did not have in mind that it was an automatic approval by any means because, as I had intended to point out, clause 53 gives the board the power to disallow after it has had a chance to review the tariff. Clause 54 gives the board power to suspend. It is because of those provisions that it did not seem essential to us to insert the word "approval" here. It does not automatically follow that it is approved just because the tolls have been filed.

Mr. Pearson: Is it not a fact that clause 50, which we have passed, gives the board power to make orders with respect to tolls, that is, to levy tolls? We on this side of the house assume that any toll filed before the board would be one which had been approved by the board. That is why we assume that this particular amendment is perfectly in order even though it may not be necessary.

Mr. Winch: I believe the rule is that one cannot refer to proceedings in a committee of the house, but in one of the committees of the house this year we have had a number of meetings in which there were a number of questions asked about the rates of the air transport board. Once a rate is filed and accepted by that board it remains a tariff and is unchanged; but there is nothing here that makes it clear that a tariff which is filed has to be accepted. The evidence before the committee dealing with the air transport board tariff situation was that the tariff could be challenged; it could be changed; it could be amended. We found nothing there to indicate that it was an actual order. All we are asking here is to make it clear that with the filing there shall be an approval so that it is an established tariff. The minister's parliamentary assistant can give him all the advice that he needs because he knows all about it.

The Deputy Chairman: Is the committee ready for the question?

Mr. Churchill: Mr. Chairman, if the committee is agreeable this clause could stand over for a while for further consideration.

The Deputy Chairman: Is the committee agreeable to standing clause 51?

Clause stands.

On clause 52—*Tolls to be just and reasonable.*

Mr. Robichaud: Mr. Chairman, clause 52 is a very important one; it is one of the most important clauses in the bill because it has to do with tolls which will be charged under

this legislation. I notice that its terms are identical with those of section 43 of the Pipe Lines Act. In view of the remarks which were made during the course of the second reading of this bill by the hon. member for Edmonton West and the hon. member for Calgary South, remarks which I drew to the attention of the committee on Friday, as reported at page 4153 of *Hansard*, I should like to have the minister comment on this. Perhaps the minister can tell us why no provision is made for an appeal in connection with the setting of these tolls. This also has some connection with the minister's own statement when he referred to the profits which could be made or which such pipe lines would be allowed to make.

Mr. Churchill: I think, Mr. Chairman, we did discuss this subject matter the other day when we were discussing other appeals.

Mr. Robichaud: On clause 18.

Mr. Churchill: Yes.

Mr. Robichaud: It was a different point. It had to do with a question of law or jurisdiction.

Mr. Churchill: That was on clause 18, but certain people went on to discuss other matters, and the question of an appeal on fact was also under consideration, and an explanation of that was made. We looked at it in this way. There has to be some element of finality somewhere and with a board of competent and experienced people examining all the facts that they would have to examine prior to determining whether tolls are just and reasonable, it would be undesirable for that fact finding activity of the board to be placed under review through an appeal. With the provision of an appeal on law and jurisdiction we thought that the rights of Canadians were adequately protected; but this is a specialized operation, determining from a mass of figures and calculations what constitutes a just and reasonable toll, and we were placing this responsibility on the board to make that decision. If, for example, an appeal on fact were carried, as it is in some other matters, to the governor in council, we would be in a difficult position in having to review all matters pertaining to what is admittedly a complicated problem, and we would not be in the same position as the board itself as it gathers experience on this subject. Therefore, it was for these reasons we decided that we should give this a trial, anyway. We are not making claim to any superior intelligence in drafting clauses of this bill. This is our best judgment at the moment. If in the course of time we find that this is not the most satisfactory method of dealing with the matter we shall have to take a second look at it, but for the moment we think the board should be given the opportunity of gaining experience, sizing up the problem, and as time elapses advising us as to whether or not this is the best way in which this difficult subject should be considered. This is another reason why we have placed it as we have and have said that there shall be no appeal from its finding of fact.

Mr. McIlraith: There is another point pertaining to this clause. The minister will recall that at the resolution stage, I think it was, he was in some difficulty in a statement he made in his preliminary remarks on the point as to charges, and then he took the opportunity, as a question of privilege, to rectify his remarks.

Mr. Churchill: The hon. member will not mind if I interrupt him here. I was not in difficulty with regard to my statement, but some person misinterpreted it and used different words and was in difficulty and I was extricating the unknown person.

Mr. McIlraith: The point, in any event, is that the words used by the minister in introducing the resolution were misinterpreted by some persons, and I have reread them since—

Mr. Churchill: That is right.

Mr. McIlraith: —and I am afraid—and this applies to many of us—words uttered are not always monuments of clarity. His certainly were not clear on that point. He considered it to be sufficiently important to rise on a question of privilege and attempt to clarify the matter. I have reread the clarification and I must say that the original remarks taken with the clarification have tended to confuse me as to just what the minister did mean. I found myself a little clearer as to the meaning when I read the original remarks by themselves. Would the minister take a moment or two to indicate what he visualizes by way of charges and tolls under this clause, and particularly to try to clarify further the misunderstanding that did arise?

Mr. Churchill: I was just attempting to look up the remarks I made on the resolution stage and I cannot lay my fingers on them at the moment.

Mr. McIlraith: It is page 3775 and page 3768.

Mr. Churchill: However, I was discussing returns and whoever sounded off on the radio that very day spoke of profits. Having heard about that comment, I felt obliged to rise in the house on a question of privilege and indicate to the house that when I had used the term, "regulating the returns of gas pipe line companies", I had not specifically referred to profits. Of course, I grant you that you can

argue that in some form or other the regulation of the returns will perhaps have some effect on profits but the comment that was made at that time on the radio was directly on the question of profits whereas the word "returns" is common parlance in the industry. It relates to all matters with regard to financial operations, and was understood in that way. That was why I rose on that occasion to indicate what was meant and that is the way the explanation stands, that it is a question of dealing with returns in general.

The Deputy Chairman: Shall clause 52 carry?

Mr. McIlraith: No, Mr. Chairman. I think we have to go a little farther than that. The first report of the royal commission on energy, the Borden commission report, went a very great length in its recommendations dealing with the regulation of pipe line companies and on this particular point a recommendation was made that tolls, in addition to other requirements, be calculated to yield a fair return on the shareholders' equity and so on. The minister rejected that and adopted a provision which has been in the law for some years and which I think is a much better clause. But the Prime Minister in his speech on second reading of the bill went on to indicate that the board had much wider and different powers in respect of tolls than in fact it has under the clause we are discussing, and that is a point that I think should also be cleared up.

Mr. Churchill: Mr. Chairman, I always listen with attention to my hon. friend who has been looking at this bill with care but I doubt very much if we need to go into a lengthy debate with regard to what was intended and meant by the Borden commission and what was intended by somebody else's remarks. We have accepted certain recommendations of the Borden commission. Other recommendations have not been accepted. In this particular instance clause 52 is identical with section 42 of the Pipe Lines Act. Here again we are leaving the matter to the board, rather than setting out some rigid, specific formula, so that the board may determine what is just and reasonable. We weighed very carefully the submission in the Borden report and gave it full consideration. But again we decided that for flexibility it would be wise to let the board work this out, determine how these tolls shall be applied, what is a just and reasonable toll and how it shall be related to the company's operations.

Mr. McIlraith: Perhaps I can clarify it. I do not want to delay the thing unduly but it seemed to me that in part of recommendation No. 12 the Borden commission went quite too far and made a recommendation that was defective, to use a very mild word to describe it. I am glad to see that the minister has recognized that the legislation in force on this point, put there by the former government, did assert proper principles and that those principles are the ones that are being carried forward in this bill. I found myself in some difficulty with respect to the minister's and the Prime Minister's remarks because the impression seemed to be capable of being drawn from the two sets of remarks, together with the Borden commission report, that a change was being made in the clause as to tolls now being adopted and it is not. It is not changed at all. I think that clarifies the matter a good deal. I do not like making general remarks about the minister's statement on the earlier stage of the bill but his remarks and the Prime Minister's on this point were certainly of a nature, when read together with the Borden commission report, as to create a very bad misunderstanding on this subject and really were capable of misleading those who were not careful in trying to understand the subject and who did not read the remarks carefully.

Mr. Pearson: Mr. Chairman, there is no doubt that a reading of the Prime Minister's statement on May 26 cannot but give the impression that the alleged weaknesses of the previous legislation on the subject with respect to the protection of the public interest were to be removed by this particular bill. The Prime Minister stated, as found on page 4021 of *Hansard*:

> Finally there is the question of whether the public interest will be protected.

Then he went on to show how this bill would be more effective in that regard than the previous legislation. Also, on page 4025 the Prime Minister said:

> As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interest. With the implementation of this legislation, no longer will there be any suspicion that the Canadian consumer is being forced to subsidize the foreign markets or that Canadian industries will be asked to pay higher prices for their energy than those paid by foreign industries using Canadian energy.

Presumably this is the clause of the bill under which that is to be guaranteed, so I should like the minister to tell us how this particular clause, which lays down the general criterion of equity and reasonableness, is to be more effective in the protection of the public interest, the prevention of unnecessary profiteering and all that kind of thing than the previous legislation.

Mr. Churchill: Mr. Chairman, it is hoped that the board, through its careful consideration of all these problems, will end up with formulae which will be just and reasonable and that the interests of Canadian consumers will be protected. I feel that, from the experience of the past, that will be very much in the minds of the board. It is difficult to spell out things like that in legislation but a board, with all the facts before it, and with the public interest in mind, will be able to determine for us, in the Canadian interest, what is just and reasonable. We have deliberately left this flexible so that the board will have room to manœuvre and come to conclusions in an area of business, and business regulation, which is new to Canada.

We have noticed the experience of the people across the line with regard to this and we gather from observation that some flexibility would be very much worth while. Starting off as we are here, with the intention to bring together the various methods that have been used in the past with regard to the oil and gas industry and with regard to electric power, we feel this is the best way to make a start by allowing the board, in its wisdom, to determine what is just and reasonable. We thought it was better that flexibility should be permitted rather than spelling out the specific means right in the bill.

If my hon. friend finds, as time passes by, that the national interest has suffered or that Canadians have been discriminated against, I am sure he will be amongst the first to rise and point out this fact to us. I hope he will do so. However, I feel that we have a great chance here of having the Canadian interest protected by giving the board this freedom of action.

Mr. Pearson: The minister's language is very much like that which used to be heard in this house from his predecessor, whom he used to criticize strongly when the former minister was emphasizing the merits of flexibility in these matters and the impossibility of spelling out everything in legislation. It is interesting to hear that statement from him.

I have no quarrel with the statement as such, but I have a quarrel with the relationship of the statement to the very inflexible words of the Prime Minister to the effect that the price to be charged for gas and power must be just and reasonable in relation to the public interest. I suggest to the minister there is nothing in this particular provision, or any other provision in this bill, that ensures that the price to be charged for gas and oil must be just and reasonable in relation to the public interest. It is just as well that that should be made clear.

Clause agreed to.

Clause 53 agreed to.

On clause 54—*Suspension of tariff.*

Mr. Churchill: I should like to ask the committee to allow this clause to stand because I have an amendment under review.

Mr. Winch: I hope the amendment you have under review is exactly what I have in mind.

Clause stands.

On clause 55—*No unjust discrimination.*

Mr. McIlraith: There is a question of clarification in connection with clause 55 which does not have to do with the purpose of the clause but has to do with the word "company". Formerly, the regulation in this respect was of companies that had been declared common carriers. This principle has been dropped from the bill now before us. I am wondering what the significance of that is in relation to this clause of the bill, and in relation to companies whose shareholders are two or three producing companies who are using the full capacity of their lines to carry their own product. This question does not arise specifically under this clause only, but it arises under several of the clauses. I can see no other clause under which I could discuss it, and if there is any clause under which that point could be discussed, if the minister would indicate it I would like to hear about it.

Mr. Churchill: I am not sure that there is another clause under which this point arises. In reply to my hon. friend, if a company owning a pipe line is carrying only its own produce through that pipe line, there is no possibility of any discrimination. If it is carrying the material of other companies, then there might be room for discrimination in tolls, services or facilities, hence the clause has been written the way it is. I grant that in the old act the reference was to a common carrier.

Mr. McIlraith: It was declared to be a common carrier.

Mr. Churchill: There was a reference to a common carrier and the fact there should be no unjust discrimination.

Mr. McIlraith: I am not concerned about the unjust discrimination part of the clause. My point is that under the former procedure an application could be made to declare any company a common carrier. Most of the companies operated as common carriers but so far as I am aware none of them was declared to be a common carrier. This means that all the procedures concerning pipe lines did not have to be carried out in relation to

those companies or a great number of the companies, in any event but only applied to those that were declared common carriers.

What I am concerned with here is this: Those classes of companies that are not in any way common carriers, but whose shareholders are in reality two or three producing companies, and who carry only their own products to the full capacity of the line, now are going to have to go through all these procedures with regard to tolls, just as any other company. I am not arguing at the moment that that is desirable or undesirable. I want to know from the minister whether or not he has considered that point because the provision for tolls is absolute and applies to all companies under this bill.

Mr. Churchill: I think it will not apply to the type of company to which my hon. friend refers, which is picking up and carrying its own material and not disposing of the material of others. Why would there be tariffs or tolls?

Mr. McIlraith: The reason would be that a company, within the meaning of the bill, is a pipe line company incorporated by a special act. This sort of company must charge tolls to the three companies whose products it is carrying. You see, such a company is virtually a private company, yet it is going to have to go through all the tariff procedures. The point I am raising is that the former act took care of that situation, but this bill does not.

If the minister will look at the point I am raising in connection with clause 51, he will see what I mean. It has to do with the definition of the word "company" and deletes the words "common carrier". The distinction in relation thereto is provided for under the former Pipe Lines Act but not under this bill.

Mr. Churchill: I appreciate the problem, but I do not know that I consider it to be quite as large as my hon. friend indicated. Do you think it is going to cause any difficulties that cannot be solved by the board?

Mr. McIlraith: I was looking at the special acts I had here on Friday in connection with another point. There were some 31 of them in the particular binding that I had. When I started to leaf through them I was appalled at the number that were of such nature in relation to the number which were carrying on as common carriers and were in effect, although not declared as such, common carriers. It is a point for which I just cannot find a solution in the bill put forward by the minister. I hope he has not completely overlooked the point.

[Mr. McIlraith.]

Mr. Churchill: I think this is one among many problems which the board will have to consider and determine. The hon. member has raised a very good point; but unless he considers that somebody is going to suffer thereby, I wonder whether he would be content to let it stand as it is and then to see how the board deals with this particular matter.

Mr. McIlraith: Yes, Mr. Chairman. I am content to let it stand and to see how the board deals with it. But there is this problem. The whole purpose of the legislation on the subject is to protect the public interest. But where you have companies operating where they are not jeopardizing the public interest in any way it seems that an unnecessary and excessive burden is being put both on the board and such companies. I think that this result is not intended and that it certainly does not accomplish a good purpose.

Clause agreed to.

Clause 56 agreed to.

On clause 57—*No rebates, etc.*

Mr. McIlraith: I notice that this clause is modelled on one in the Pipe Lines Act. But clause 57 deletes provision for a fine and leaves the question of punishment to the provisions of the Criminal Code. Is there any explanation for that deletion?

Mr. Churchill: Yes. There was that deletion of a fine not exceeding $1,000 and the substitution of the phrase "is guilty of an offence punishable on summary conviction as provided in the Criminal Code." That is the standard method of dealing with it, and it is a smaller fine.

Mr. McIlraith: Yes. That is what concerns me. I wondered why you wanted a smaller fine for this type of offense.

Clause agreed to.

On clause 58—*Contracts limiting liability of company.*

Mr. Churchill: To clause 58 there is an amendment which my colleague is about to move. It is with regard to subclause 1 of clause 58.

Mr. Green: Mr. Chairman, I move:

That subclause (1) of clause 58 be amended by inserting the words "is included as a term or condition of its tariffs as filed or" after the word "notice" in line 32 on page 16.

Mr. McIlraith: Will the minister make clear the purpose of this amendment?

Mr. Churchill: Yes. It is to clarify a possible ambiguity. The words now printed in the bill left in some doubt the status of

terms and conditions which were filed as part of the tariff but where not the subject of an order or a regulation by the board. The amendment would make clear that terms or conditions filed as part of a tariff pursuant to section 51 would be in the same position as a term or condition approved specially by a board order. It is no change; it is just clarification.

Mr. McIlraith: There is just one point. On a quick reading of the amendment I see no objection to it. But is this not going to depend somewhat on what is done with clause 51 which has been allowed to stand? As I understand it, clause 51 stands.

Mr. Churchill: That is true.

Mr. McIlraith: I am not raising any objection to the amendment to clause 58, but it seems to me that probably it should stand in case there are changes in clause 51.

The Deputy Chairman: Shall clause 58 stand.

Some hon. Members: Agreed.

Clause stands.

On clause 59—*Duty of oil pipe line company.*

Mr. Winch: There is one point in connection with this clause, and I spoke about it on Friday on second reading. I am afraid I find it difficult to understand the wording of subclause (2), where it is stated:

(2) The board may, if it considers it necessary or desirable to do so in the public interest, require—

And certain things are mentioned. What I have never been able to understand in some acts, but in particular in this one, is this. If the board deems it in the public interest to require a company operating a pipe line or transmission line to do a certain thing, I think it should say that it shall do so. I think this is an important matter. If something is required in the public interest I should like to know why the legislation should not say that it shall take the action as set forth, and not that it may in the public interest do so. If it is in the public interest, surely the word should be "shall" and not "may". Otherwise, why have in there at all the words "in the public interest"?

Mr. Martin (Essex East): The explanation is found in the last line of the section.

Mr. Churchill: We had this matter under discussion in part on Friday. It was not made a mandatory because of the final clause in that subsection which states as follows:

—if the board finds that no undue burden will be placed upon the company thereby.

Mr. McIlraith: The whole clause raises the point that I dealt with a few minutes ago in connection with clause 55, namely the failure to distinguish between common carriers and companies that are not common carriers. Perhaps I will not repeat the remarks that I made on that clause but they are applicable with variations to this clause.

Clause agreed to.

Clause 60 agreed to.

On clause 61—*Tolls for transmission of gas.*

Mr. Robichaud: I understand that this is a new clause which was not included in the Pipe Lines Act. Can the minister explain why certain provisions are necessary in the case of gas but there is no comparable provision with respect to oil? I understand the minister is out for a few moments.

Mr. Green: Go ahead with your question.

Mr. Robichaud: Could the minister explain why there are provisions with relation to gas when there are none with respect to oil? I understand this is a new provision altogether and I should like the minister to give the committee an explanation.

Mr. Winch: This is one clause which has completely got me stumped. I have read it and re-read it but I have completely missed the purport of it. Maybe I am missing the odd words which would give me the intent of the clause, but I simply cannot understand what is the purport of clause 61. Perhaps the minister could explain it in layman's language. Perhaps the hon. member from Calgary South already understands it.

Mr. Smith (Calgary South): I will wait until the minister can tell me.

Mr. Robichaud: There is a further explanation which the minister may give when he comes back. This clause provides that where the gas transmitted by a company through its pipe line from any place within a province to any place outside the province is the property of the company, the board can fix a proportion of the difference between the amount paid by the company for the gas and the amount for which the gas is sold. But there is no such provision in the case of oil.

Mr. Winch: Let us look at the terms of the clause. The wording reads:

Where the gas transmitted by a company through its pipe line from any place within a province to any place outside the province is the property of the company—

Here we have a situation where a company owns the pipe line. It buys the gas in one province and sells it to another end in

another province, but it owns the pipe line in which the gas is being transmitted. That, I can understand. But what is the meaning of what follows?

—such proportion as the board may fix of the differential between the amount paid by the company for the gas and the amount for which the gas is sold by the company shall for the purposes of this Part be deemed to be a toll charged by the company to the purchaser for the transmission thereof.

What in the name of heaven does that mean?

Mr. Churchill: This clause 61 has no counterpart in existing energy legislation. Recommendation 11 subsection (c) of the Borden report has been questioned on the ground that parliament had no power in peace time to control the prices charged for gas by transmission companies. The provinces, of course, claim jurisdiction over the price of gas at the point of origin and at the point of consumption. The price jurisdiction which the government would exercise is that on prices charged by interprovincial companies transmitting gas to their customers, that is, to the companies which buy gas for resale either to other gas companies or to consumers. While these prices cannot legally be controlled, the actual transmission charges of the pipe line company can, since they are similar to the freight rates on railroads. In the case of gas pipe lines the commodity carried is generally the property of the carrier and no transmission charge as such is levied. It is, however, provided here that in such case a proportion of the difference between the price paid for the gas and the price at which it is sold by the transmission company shall be deemed to be a toll.

Mr. McIlraith: Is it not simply a matter of the provinces having jurisdiction over the purchase price and the sale price of the gas and an attempt by this government to put forward something which would prevent exorbitant differentials? This is only a partial protection of the public in the sense that the companies can pay any price they wish for their product, or sell it at any price they wish but that the differential, which is the only element which this parliament can control, may be subjected to a limiting toll. The clause could very well have been put in in the early part of the bill as a definition of the word "toll". That is where it should have been included. This is the only way in which the board can control the price paid by consumers in the event of an abnormal transmission charge being made. I am not suggesting that this would happen, because I am sure that no producer would want to do any such thing. But the problem is still there. It still remains, and this clause does not really take care of it. However, it goes about as far as we can go constitutionally.

Mr. Pickersgill: May I ask the minister if this is not precisely what he and his friends used to call centralization when they were on this side of the house?

Mr. Argue: I am wondering if under this clause the board is permitted to bring only a part of the difference in price under its control, in the case of a company which owns both the gas and the transmission lines? In this case that would mean the possibility of a much smaller share than in the case of a pipe line company which is merely transporting the gas. I ask this specific question: supposing the company which owns the pipe line also owns the gas. These figures might not be realistic, but supposing the gas going into the pipe line is bought at a price of, say, 30 cents and it is sold out of the pipe line by the company which owns the pipe line and owns the gas to a company that is distributing the gas, to a retail company, at a price of 60 cents. I want to know whether, according to this clause, the difference between 30 and 60, or part of the difference between 30 and 60 can be exempted from this provision. If this is the case I think the clause is wide open for an interpretation by the board which would allow the company to proceed almost free of all regulations. I can understand that if the 30 refers to the price of the gas going into the line and the 60 refers to the price of the gas going to the consumer, this clause would exempt a proportion of the cost which ordinarily might be considered a retailing cost. But my question is this: if the 60 is the price to a distributor is it then possible for the board to say whether or not it should regulate the full difference between the 30 and 60?

Mr. Churchill: That is a question which has received a good deal of study. It has arisen in the minds of many people and a great deal of midnight oil was burned over clause 61, I can assure the hon. member. The difference between the 30 he mentioned and 60—the entire amount—the board could take as a differential or it could take any proportion of that which it saw fit in view of all the circumstances and in view of what it considered to be just and reasonable.

Mr. Argue: The minister's explanation to me is not satisfactory. It may be an accurate explanation but I take it that the board has the right to decide what proportion it feels it should control in this specific case in view of all the circumstances. I would submit that is a very loosely worded clause. It means in fact that the board could decide to regulate

only a small proportion of the difference in cost and the whole bill, whatever it may be worth,—and as we go from clause to clause I see less and less value in it—would fall to the ground. I do not know why the board is not given the power to regulate the entire difference between the price of gas going into the line and the price of gas coming out of the line.

If the gas pipe-line company is itself in the retail field I think the board would have to set an arbitrary figure as to what should be the price coming out of the line. Under this clause I do not see why the board should be given the power in the instance of a company that owns the gas to exempt most of its operating margin from control.

Mr. Winch: Perhaps I am not getting this through my head but I do not want it to pass until I understand it. Is my interpretation of this correct? Does this deal wholly and solely with the transmission of gas on an interprovincial basis purchased in one province and sold in another? Do the words "the board may fix of the differential" mean that the board may decide the differential between the purchase price of the gas at one end and the selling price at the other? Is that basically what it means or is the minister now as confused as I was when I started?

Mr. Churchill: Mr. Chairman, in answer to the hon. member's first question I would say that this does refer to a pipe line crossing a provincial boundary. It reads that the board may fix of the differential between the amount paid by the company for the gas and the amount for which the gas is sold by the company. This means whatever proportion it chooses; the whole thing, if it likes. Using the figure the hon. member for Assiniboia put forward, if it is 30 cents at the intake end and 60 cents at the point where it leaves the pipe and goes to the consumer the difference is 30 cents and the board may say the 30 cents is the toll. On the contrary it could say that of that 30 cents it considers that 25 cents or 20 cents should be the toll charged. The board determines the proportion of the 30 cents that shall be declared to be the toll, but it could be the whole 30 cents.

Clause agreed to.

On clause 62—*Powers of company.*

Mr. McIlraith: Coming to part V of the bill, I take it that clauses 62 to 74 are virtually identical with those contained in the Pipe Lines Act, is that correct?

Mr. Churchill: All of part V with minor changes represents sections from the Pipe Lines Act. Clauses 62 to 65 of the bill correspond to sections 7 to 9 of the Pipe Lines Act; 66 to 69 correspond to 21 to 24 of the act; clause 70 is section 25 of the act; clauses 71 to 74 are drawn from sections 26 to 29 of the act; clause 75 is section 30 of the act; 76 is 31; 77 is 32; 78 is 36; 79 is a new clause and clause 80 is taken from section 3 of the act. The changes within those clauses are minor changes. Where there is a major change I shall draw it to the attention of the committee.

Before we go on, there is a change in clause 62 which I would ask my colleagues to move in the form of an amendment.

Mr. Green: I move:

That clause 62 be amended by inserting in paragraph (e) thereof the word "houses" after the word "buildings" in line 23 on page 18.

Amendment agreed to.

Mr. Churchill: There is a further amendment to this clause. Some of these amendments, I might say, have come to us from people within the industry who have been studying the bill with great care. They have asked for some of these things for the purposes of clarification.

After the number 62 in line 1 on page 18 the figure 1 in brackets should be inserted, and then at the bottom of the page a new clause will be added which will be subclause 2. Here the intention is to clarify the expression "pipe line".

My colleague will move an amendment to this effect in just a moment. It is sought to extend the definition of a pipe line to include a line for the transmission of sulphur or sulphur compounds obtained from an oil or gas well connecting a province with any other or others of the provinces or extending beyond the limits of a province.

I will give the explanation after my colleague has moved the amendment.

Mr. Green: Mr. Chairman, I move:

That clause 62 be further amended by inserting "(1)" after the number "62" in line 1 on page 18 and by adding thereto the following subclause: "Lines for transmission of sulphur."

(2) for the purposes of this part the expression "pipe lines" includes a line for the transmission of sulphur or sulphur compounds obtained from an oil or gas well, any product thereof, connecting a province with any other or others of the provinces or extending beyond the limits of a province.

Mr. Churchill: Mr. Chairman, the purpose of this amendment is to provide that pipe lines incorporated by special act for purposes including the transmission of sulphur and sulphur compounds would come under part V of this act. This will enable such a company to exercise the powers of expropriation contemplated in its special act. Later when we

come to clause 75 I shall propose another amendment to ensure that in exercising those powers such a company will come under the scrutiny of the board.

Mr. McIlraith: Mr. Chairman, this clause goes part way to meet the difficulty I raised the other day when we were dealing with another clause of the bill, I believe the clause having to do with the definition of the word "company". In any event, it puts the type of very large pipe line to which I made reference on that occasion under this act in so far as certain rights and privileges of the company are concerned. Some of the rights and privileges given to such a private company incorporated by special act are quite extensive. I would point out—and I want the minister to correct me if I am wrong—that the amendment gives such a private company the very extensive right of expropriation of lands, but at the same time does not protect in any way the public who may be investors in such a pipe line company. We are not giving any protection by way of public hearings by the new board before the company constructs its line. There is no requirement that they apply for a licence, and the fact may well be that such a company will be thought by many of the investing public to be another pipe line company under the jurisdiction and control of the national energy board.

I would point out that the particular company to which I made reference on Friday—and I may say I know very little about it—uses in its name the words "pipe line company", a name very similar to the type of name commonly used by oil and gas transmission lines. We are doing something here that causes me some concern. It is a real point. I must say that I for one dislike intensely the common habit of this parliament and of legislatures in the provincial field of extending the right of expropriation pretty freely, and here we are doing that very thing and at the same time not giving the public the corresponding type of protection that parliament in its wisdom has seen fit to apply to all other pipe lines dealing with the transmission of products arising out of the oil development in the west. This is something that concerns me very considerably.

Mr. Churchill: I may say on this point that the amendment which will be proposed to clause 75 brings that type of company under the scrutiny of the board. This amendment will be moved subsequently. The provisions of part III respecting the plan, profile and book of reference apply *mutatis mutandis* to a company in the exercise of its powers in this section in respect of the matters described in clause 62 that we are dealing with. Perhaps that would meet in part at least my hon. friend's suggestion.

Mr. McIlraith: It meets a small part of it but it does not give any protection to the investing public. There is a real difficulty here. I am grateful to the minister for bringing such a company under some control, but it is very little control. After all that has been said in this parliament over the years, here we are enabling certain types of companies to take the extraordinary rights of expropriation and other rights of that sort, and at the same time removing them from all control. It is something that concerns me a good deal. I am wondering how much the government has really thought through this point because I must say I frankly did not think of the difficulty until I saw that special act of incorporation of the one company to which we made reference.

Mr. Herridge: Mr. Chairman, I thought we were dealing with the amendment. If it is satisfactory to deal with the question of compensation I would like to say something on it.

The Deputy Chairman: Is the committee ready for the question? You have heard the amendment. Shall it carry?

Mr. Martin (Essex East): Just a minute; the thought occurs to me—and this question was raised the other day—that the company here is given power, subject to the provisions of the special act, and this provision may cover the point I have in mind. The power given is to go into and upon any crown land. What right has this parliament to empower any company to enter into and upon any crown land? We certainly have the right to give a company the right to enter into and upon any crown land in the right of Canada, but certainly not on lands held by the provinces. I know this is not a new clause, but I would be interested in the minister's comments.

Mr. Churchill: I appreciate the hon. member's inquiry, but I think I would have to refer that to my colleague, the Minister of Justice, for an appropriate reply. I have not the reply myself right now. In any case, Mr. Chairman, in view of the comments with regard to the amendment which we have proposed I ask that we let this clause stand and perhaps an answer to the latter question might be given later.

The Deputy Chairman: Is the committee agreeable to have this clause stand?

Mr. Herridge: If the clause is going to stand I would just like to say the few words I intended to say on this clause before it stands. As a matter of fact, I was rising to make the

same comment as the hon. member for Essex East made with respect to what right has this parliament to authorize a company to take land in the name of the queen in the right of a province? I also want to deal with the question of crossing private land. I am thinking particularly of farm land, because we had rather an unfortunate experience in our district in the laying of a pipe line there. I notice that this clause, particularly in paragraphs (b) and (c), makes provision for a company to purchase, take and hold of and from any person any land or other property necessary for the construction, maintenance and operation of its pipe line and alienate, sell or dispose of any of its land or property that for any reason has become unnecessary for the purpose of the line.

Paragraph (c) reads:

> Construct, lay, carry or place its pipe line across, upon or under the land of any person on the located line of the pipe line.

When I go to clause 68 I notice there appears to be more protection given to mining companies. Clause 68 reads:

> No company shall, without the authority of the board, locate the line of its proposed pipe line, or construct the pipe line or portion thereof, so as to obstruct or interfere with or injuriously affect the working of or the access or adit to a mine then open, or for the opening of which preparations are, at the time of such location, being lawfully and openly made.

My point is that there appears to be much greater protection provided under the legislation for a mining company, or mining operations, than there is for a farmer. In our section during the construction of a pipe line the engineers for a certain company laid out the route, and this route was over a distance of some 15 miles just beside a highway, some 100 feet back from the highway, but in front of a considerable number of farm residences, and in some instances going within 10 feet of the farmers' verandahs and through their barnyards along this considerable distance. When the local people, the owners, protested, the engineer in charge said, "No, we have got the right and that is where the line is going." When the people of Kootenay West are in trouble it is only natural that they come to the member for Kootenay West under such circumstances and at that time they did so although this was a provincial matter. I went and saw the farmers and told them not to sign anything. The engineer in question threw the easement document on the ground and said, "If you will not sign it we will go to court and get the right very quickly." I said to the farmers, "Do not sign anything".

I called a meeting of all these people. They all happened to be members of the Doukhobor sect although not Sons of Freedom. At the meeting they discussed their problem and they had a legitimate complaint. Fortunately we were able to have the matter considered by a prominent lawyer in Vancouver. He went to see the attorney general who saw the injustice and called in the heads of the company and as a result of what in effect was almost an order they had to change the route of the line to the back of the farms which all bordered on mountain ground. The area is between Brilliant and South Slocan and the Minister of Public Works understands exactly what I am talking about.

There was no provision there for reference to a board or anything of that sort. Apparently they had the right to do this. It was only after meetings, united opposition and the realization on the part of the government that this was a very unwise thing to do in that county, to say the least, that the company concerned was forced to change the location of the line at an increased cost of $30,000 to $40,000. I think we should do everything possible to make certain that the rights of farmers and small property holders are protected. In another case this company went right through a man's farm, and with an oil pipe line it is not simply a question of burying the pipe. A certain area of ground on each side of the pipe cannot be cultivated or used and has to be kept free of weeds so that if gas escapes it will not be inflammable. There are several disabilities to property owners who, in my opinion, are not sufficiently covered just by the payment of so much per acre for the land used.

Because of my experience in this respect and the experience of some of my constituents I should like the minister to explain to the committee what protection there is in this clause for the farmer or small property holder in order to prevent a recurrence of such circumstances and also why more protection apparently is provided to mining companies than to farmers and small property holders when it comes to the question of entering their property for the laying of a pipe line.

Mr. Winch: The minister has said that this clause may be allowed to stand. I should like to ask him whether it would not be possible to reopen clause 61 and allow it to stand. I have just been informed that some very eminent members of the legal profession in this city are also very disturbed about clause 61 on account of the confusion. I do not think it would bother the minister if it were reopened and allowed to stand for a few hours. Would the minister agree?

Mr. Churchill: The member is making a rather unusual request with respect to a clause which has been passed. I hope he is not anticipating too lengthy a debate. I am

glad to hear from everybody on clause 61. As I said earlier, it is a difficult clause.

Mr. Winch: I only ask because in the past few minutes I have received what I consider very good advice that eminent lawyers in this city are very much disturbed about clause 61 because they find it most confusing. If I possibly can I should like to find out in the next few hours just why they are confused.

Mr. Churchill: All right.

The Deputy Chairman: Does the committee give unanimous consent to allowing clause 61 to stand?

Some hon. Members: Agreed.

Clause stands.

Mr. McIlraith: Just before we leave clause 62 there is one comment I might add the minister might wish to have in mind when he is considering this clause further. In discussion on earlier clauses I advanced an argument having to do with the difference between common carriers and companies that are not common carriers. I would point out that clause 62 is another clause illustrating the need for that same distinction. There are many companies transmitting oil or gas several hundred miles which have never used the power of expropriation. Yet we are not making any provisions for such companies that are not in fact operating as common carriers and not using powers of expropriation to be treated any differently from companies that are using the power of expropriation and operating as common carriers.

Mr. Martin (Essex East): The minister has agreed to let this clause stand and as my remarks were confined only to crown lands the minister will look into further similar aspects of the clause. For instance, in subclause (a) it says, "enter into and upon any crown land," and in subclause (b) it says, "purchase, take and hold of and from any person any land or other property necessary for the construction", etc. I think the examination that is going to be made should be made not only with respect to any crown lands but any lands, particularly those held by private individuals.

Mr. Henderson: Where I come from a pipe line was built and they came there and wanted to go through our lands. We did not want them to go through. They said that they could go through so we stopped them by force and they moved two miles south and came in over V.L.A. land. Apparently V.L.A. let them go through that land and they bypassed us. There was no protection whatever, only brute strength. This fellow came along and said, "Where are you and I going to have 'rassle', behind the barn"? I said that I did not know that "rassling" was mixed up in this. I said ,"You are not coming through our land." We had eight quarters there and we really had him blocked.

Mr. Martin (Essex East): I would bet on the hon. member for Cariboo anytime.

Mr. Henderson: The outcome was that they went and saw the soldiers' settlement officer and he told them to go through the V.L.A. land. They went south of us and there they are. We had no redress, only brute force.

The Deputy Chairman: Shall clause 62 be allowed to stand?

Some hon. Members: Agreed.

Clause stands.

Clauses 63 to 65 inclusive agreed to.

On clause 66—*Crown lands.*

Mr. Martin (Essex East): Subclause 1 of this clause reads as follows:

> No company shall take possession of, use or occupy lands vested in Her Majesty without the consent of the governor in council.

If the lands in question are lands vested in Her Majesty in the right of a province surely it is no concern of the governor in council. The same point is involved here that I made with regard to clause 62. Perhaps that ought to be considered, unless the minister has an explanation.

Mr. Churchill: I take it to be a matter of interpretation. As I mentioned earlier, virtually all of part V of the bill has been carried forward from the Pipe Lines Act and these clauses or sections have been standing on the statute books for a number of years.

Mr. Martin (Essex East): My objection is technical, but it is important. The illustration given by the member for Cariboo is perhaps the most persuasive argument we have had that there are occasions when there are violations or invasions of property in the manner suggested. No matter how long something has been on the statute books, if it is incorrect—I know it would not have been put there intentionally—it is our responsibility to correct it at the first opportunity and now is the opportunity. If the law officers of the crown are not able to give us satisfactory answers, then surely there is only one course open to us and that is to correct it. I am not trying to hold up my hon. friend's legislation, but he might have that clause looked at as well.

Mr. Churchill: My hon. friend raised this question on clause 62, which we are holding open.

Mr. Martin (Essex East): Yes, but I am now raising it on clause 66. My friend has left clause 62, but if we pass clause 62 then we have no way of bringing this to the minister's attention again.

Mr. Churchill: We can stand clause 66, then.

The Deputy Chairman: Is it the pleasure of the committee to allow clause 66 to stand?

Some hon. Members: Agreed.

Clause stands.

Clauses 67 to 74, inclusive, agreed to.

On clause 75—*Expropriation provisions of Railway Act incorporated.*

Mr. Churchill: I have an amendment to suggest, and it is an addition to clause 75, so there will be a subclause (1) and subclause (2). I believe I read out this amendment earlier, and this is related to what we were doing with regard to clause 62. Perhaps for the record, we might have the amendment moved now, and I presume we would have to stand clause 75 until we determine what shall be done with clause 62.

Mr. Green: I move:

That clause 75 be amended by inserting "(1)" after the number "75" in line 1 on page 22 and by adding thereto the following subclause:

(2) the provisions of part III respecting a plan, profile and book of reference are applicable *mutatis mutandis* to a company in the exercise of its powers under this section in respect of a line as described in subsection (2) of section 62.

The Deputy Chairman: Is the committee agreeable to clause 75 standing, with the amendment?

Mr. Robichaud: Could the minister explain if this amendment has something to do with clause 27 which was allowed to stand on Friday?

Mr. Churchill: No, clauses 27 and 29 have been allowed to stand because we are waiting for the return of the hon. member for Villeneuve who suggested a change. I shall have an explanation for him. If we complete the bill tonight, of course, we will deal with them then. Otherwise, it will be tomorrow.

Mr. McIlraith: Before this clause is allowed to stand, I notice a reference to section 251 of the Railway Act in the corresponding section of the Pipe Lines Act has been left out. I take it that is because it is felt it is not needed.

Mr. Churchill: Section 251 is to be replaced, and it will be discussed under clause 76.

The Deputy Chairman: Is the committee agreeable to allowing clause 75 to stand?

Some hon. Members: Agreed.

Clause stands.

On clause 76—*Definitions.*

Mr. Churchill: There is another amendment to line 17 on page 22, and my colleague will indicate the slight change there.

Mr. Green: Mr. Chairman, I move:

That subclause (1) of clause 76 be amended by striking out the words "hydrocarbons or power" in line 17 on page 22 and substituting therefor the words "hydrocarbons, power or any other substance".

Mr. Churchill: I might say that the purpose of this amendment is to include in the definition of utilities, lines of pipe such as those, for example, conveying water, sewage or chemicals other than hydrocarbons.

The Deputy Chairman: The committee has heard the amendment, is the committee agreeable to the amendment?

Amendment agreed to.

Mr. Churchill: There is another amendment to clause 76. We intend to strike out subclause (6) and substitute therefor a different wording.

Mr. Green: I move:

That clause 76 be further amended by striking out subclause (6) thereof and substituting therefor the following:

(6) The appropriate authority may grant leave under this section after construction of the proposed work has commenced if the appropriate authority is satisfied that the work was urgently required and, prior to the commencement of construction, the appropriate authority was notified of the company's intention to proceed with the proposed work.

Mr. Churchill: I might make an explanation of the purpose of this amendment. It is to take care of an emergency situation with regard to the crossing of utility lines. Various companies engaged in the operation of pipe lines have indicated to us that the words now appearing in the bill are so restrictive as to be little better than requiring formal prior approval by the appropriate authority. The kind of situation contemplated is, for instance, where a pipe line construction crew comes upon another line of pipe running across its right of way and rather than stop work, under this amendment it would be possible for the company to notify the appropriate authority and unless strong objection is expressed by that authority, proceed with the crossing. The applicant would, of course, bear the onus that the work was urgently required and

that it was carried out in a manner consistent with the statutes, regulations and any relevant orders of competent authorities.

Mr. Herridge: Does that mean a company, in theory, could proceed with a pipe line without bothering to investigate what other pipe lines of utilities would be crossed, and just consider them as the construction crews came to them on an emergency basis as provided for in this clause?

Mr. Churchill: Are you ready to put the question on the amendment, Mr. Chairman?

Mr. Herridge: I have asked the minister a very simple question. I was just waiting for an answer.

Mr. Churchill: Would the hon. member please repeat his question.

Mr. Herridge: I asked the minister, Mr. Chairman, whether under this section in theory a company constructing a pipe line could ignore going to the trouble of finding out the public utilities it would be crossing in the way of municipal water works or sewers or others and then when they came to them could treat them all as emergencies without previously getting permission from the board. I am rather suspicious, Mr. Chairmain. The municipalities in my constituency have had some rather unfortunate experiences with respect to getting permission to do things and getting consideration for municipal, individual and community rights. We have had a similar experience as that of the hon. member for Cariboo.

Mr. Robichaud: Mr. Chairman, may I call it six o'clock?

Mr. Churchill: I was wondering whether we could not proceed with this matter.

Mr. Argue: Six o'clock.

Mr. Churchill: There has been some discussion with regard to this matter but we think that the appropriate authorities have every protection under the proposed amendment here which provides in part:

> —if the appropriate authority is satisfied that the work was urgently required and, prior to the commencement of construction, the appropriate authority was notified of the company's intention to proceed with the proposed work.

We think that is adequate to protect the various organizations mentioned by my hon. friend. The wording follows closely that of the present act. The difference there is simply the question of consent in writing.

Mr. Herridge: The appropriate authority, I assume, would be the national energy board. Is that correct?

[Mr. Churchill.]

Mr. Churchill: It depends. At the beginning of clause 76, as my hon. friend will note, "appropriate authority" is defined under four headings.

Mr. Herridge: Yes; but in each case the situation is the same. I would not blame the individual concerned for a moment. But, as an illustration, suppose the Minister of Public Works has a matter like this referred to him. He has no personal knowledge of the circumstances on the ground or of the conditions under which the pipe line is being built, and the tendency would be to accept the word of the company. What I am concerned about is this. I can see the necessity for the provision under emergency conditions but it should be used only under strictly emergency conditions. I mention this matter because in our constituency a company blundered ahead across various properties and caused considerable unexpected damage. This action was covered in some way by our provincial legislation but a great deal of dissatisfaction was caused by the way in which this pipe line was built, in some cases. I refer to failure to respect the rights of municipalities, communities and individuals.

Mr. Churchill: With experiences such as that in mind I think the energy board will exercise closer supervision over these companies and give closer examination to their plans when they are applying for a certificate of public convenience and necessity. That is not to say that the board of transport commissioners has not done its job adequately; but obviously various unforeseen things occur in the construction of these pipe lines. It all now becomes a matter of history of which the board will be cognizant and perhaps greater care will be observed in the future.

The Deputy Chairman: The committee has heard the amendment. Is it the pleasure of the committee to adopt the motion?

Amendment agreed to.

Clause as amended agreed to.

On clause 77—*Leave to construct highways, etc., across pipe lines.*

Mr. Churchill: There is an amendment here, Mr. Chairman. It is just a slight change such as we made earlier, with the addition of four words.

Mr. Green: I move:

> That subclause (1) of clause 77 be amended by striking out the words "for the transmission of hydrocarbons or power" in lines 5 and 6 on page 23 and substituting therefor the words "or a line for the transmission of hydrocarbons, power or any other substance".

The Deputy Chairman: The committee has heard the amendment. Is it the pleasure of the committee to adopt the motion?

Amendment agreed to.

Clause 2 as amended agreed to.

On clause 78—*Company to cut down weeds.*

Mr. Herridge: I should like to ask the minister a question with respect to this clause. What supervision over the company is provided to make certain that the weeds such as thistles and so on are cut on these strips that are taken through cultivated land? How does the national energy board make certain that section 78 is complied with in connection with the cutting of noxious weeds and thistles and so on across the farmer's land?

Mr. Churchill: I think in the same way as the board of transport commissioners has satisfied itself in the past. It would be through inspection or inspection following upon complaint or through certification by the company that it had lived up to the sections in this act and had disposed of the thistles, noxious weeds and so on. I think there are various ways in which the energy board could satisfy themselves that the company had maintained or continued its work properly and held to the sections of the act.

Mr. Herridge: I judge, then, that if a farmer complained to the national energy board they would at once see to it that this section was complied with.

Mr. Churchill: I hope the situation will not reach the stage where a farmer is obliged to complain to the energy board in order to get a company to do what it is supposed to do. Experience again will show whether or not that is done. But in so many instances the pipe is buried and the land above the pipe is plowed and sown. It is not left vacant just to grow weeds. This situation will occur in areas of uncultivated land and various parts like that going through bush country perhaps where action will have to be taken because of the effects of these weeds on adjoining cultivated property.

Mr. Herridge: In our district, Mr. Chairman, there is a strip—I think it is 25 feet wide—along the pipe line and the farmer is not allowed to cultivate it or to grow any more crops.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Clause 78 agreed to.

On clause 79—*Assets of company subject to execution, etc.*

Mr. McIlraith: Clause 79 is a new clause, and I wonder what the basis of it may be.

Mr. Lambert: I wonder if I could address myself briefly to clause 79? Contrary to some prognostications that there is nothing new in this bill, this is an innovation and one upon which the government is to be commended in my humble estimate. Briefly, this clause provides that subcontractors, suppliers and workmen who, unfortunately, have not been paid, may attach a lien under the various provincial statutes to contractors' claims. We had an unfortunate experience a few years ago during the construction of an interprovincial pipe line when a substantial subcontractor was unable to collect because he was not able to file his lien. I think it would be highly unfair that while pipe lines within provinces are subject to the right of every citizen to recover in respect of unpaid claims, promoters of a pipe line which crosses a boundary should escape such responsibilities.

It must, of course, be recognized that the right to file a lien is subject to the statutes and provisions which exist within each province. I do not think there are good grounds for the fear expressed by some people that this provision may harass the pipe line companies. I do not think this will necessarily follow, and I submit that this is an excellent provision.

Mr. Martin (Essex East): I do not intend to deal with the merits of this clause because, naturally, I do not quarrel with it. But the hon. member who has just spoken is a lawyer. Does he think that this provision in any way changes the rights of the provinces with regard to executions of any property or in connection with the creation of any lien. This bill says, of course:

> —that nothing in this act restricts or prohibits any of the following transactions—

I wonder if the hon. member would agree that this clause is, in a sense, superfluous in that it clearly cannot restrict or prohibit anything mentioned in clause 79 (a) (i) or (ii) since these are matters seemingly within the jurisdiction of the provinces.

Mr. Lambert: Perhaps I may briefly recall the experience of a fellow lawyer in the Comstock-Midwestern case a few years ago. Notwithstanding the fact that there was a provincial statute permitting a lien, in that case, because a pipe line was an interprovincial construction, the provincial statute was not deemed to apply. This clause, I suggest, is a means whereby an interprovincial

pipe line is taken out of this refinement of the interpretation of provincial legislation.

Mr. Henderson: We want protection in this part of the bill for companies like Northern Hardware at Prince George which paid $13,000 for dynamite for a pipe line outfit and lost every cent.

An hon. Member: Too bad.

Clause agreed to.

Clauses 80 and 81 agreed to.

On clause 82—*Issue of licences.*

Mr. McIlraith: Before we pass clause 82, is the minister satisfied that the releasing from control of export of fluids other than hydrocarbons as defined in this new legislation is not going to create any difficulties?

Mr. Churchill: We examined that point very closely and we reached the conclusion that no difficulties would arise.

Clause agreed to.

On clause 83—*Considerations applicable to issue of licences.*

Mr. Churchill: I have an amendment to move with respect to this clause. If my colleague will move the amendment, I will give the explanation.

Mr. Green moved:

That clause 83 be amended by inserting after the word "Canada" in line 19 on page 24 the words "having regard to the trends in the discovery of gas in Canada."

Mr. Churchill: May I say that the intent of these words proposed to be added is to make clear that the board shall have regard to trends in the discovery of gas in Canada as well as to the reasonably foreseeable requirements for use in Canada. Thus the board will consider not only the present reserves of gas in relation to future requirements but also the trend in the discovery of gas, or the potential reserve which could be assessed.

The Deputy Chairman: May I draw the minister's attention to the fact that the amendment should read "in line 20 on page 24." I will change the amendment to read "line 20". Is the committee ready for the question on the amendment?

Mr. McIlraith: Far be it from me to question the Chair, but I am wondering if it should be line 20.

The Deputy Chairman: "Canada" is in line 20.

Mr. McIlraith: There seem to be two sets of the bill. In mine, it is in line 19.

Mr. Pearson: I take it that this amendment is designed to ensure that there shall not be an unnecessarily restrictive policy applied by the board in respect to the export of gas and power and that foreseeable requirements for use in Canada which, of course, as the minister implied, is the first essential in any decision made by the board, should be interpreted in the light of potential production. The purpose of this amendment is to make easier rather than more restrictive the possible export of gas from this country.

Mr. Churchill: That is precisely the way we understand it. I thank the Leader of the Opposition for the clarity of his request.

Amendment agreed to.

Mr. Robichaud: Mr. Chairman, I have a few words to say on clause 83 which, notwithstanding the amendment which has been introduced by the minister, is very important as far as this bill is concerned. Clause 83 imposes on the board the duty of having regard to all considerations that appear to it to be relevant though no such duty is imposed under the Exportation of Power and Fluids and Importation of Gas Act. We have no objection to this change but clause 83 also requires the board to ensure that the quantity of gas or power to be exported does not exceed the surplus remaining after allowance has been made for the foreseeable requirements for use in Canada.

When the Prime Minister spoke on second reading of this bill he insisted that the bill was introduced to protect the public interest. We feel there is no clause in this bill which protects the public interest from the tolls to be charged in comparison with those that could be charged when such commodities are exported. I therefore move:

That paragraph (b) of section 83 of Bill C-49 be replaced by the following:

83(b) the price to be charged by an applicant for gas or power exported by him is not lower than the price at which gas or power, respectively, is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada.

My main reason for introducing this amendment is that in certain cases power is being exported and sold to consumers in the United States. There is no provision in the bill to give assurance that the rates charged to United States consumers will be comparable to those charged Canadian consumers. We think the best illustration can be found in New Brunswick where the New Brunswick Electric Power Commission exports power to the state of Maine where a certain company exports in turn this same power to Canadian consumers along the Saint John river valley. We feel there should be protection under which Canadian consumers would not be charged rates exceeding those charged United States consumers and

under which a Canadian company exporting power to the United States would not charge rates lower than those it would charge Canadian consumers for the same power.

Mr. Lambert: Mr. Chairman, may I pass one observation on the amendment. Surely the hon. member who proposes this amendment must realize that market conditions in the two countries may be entirely different. The United States distributor may be competing with other types of power or fuel which are not applicable in Canada. How could the Canadian government absolutely determine what the ultimate rate would be to the consumer in the United States? Once a contract has been established there may be a change in the situation. Whereas in Canada the rates may be allowed to go up after various hearings, in the United States the rates might be driven down by reason of competition or otherwise; yet the hon. member would forbid export under those circumstances. I feel that the hon. gentleman is getting into some horrible difficulties.

Mr. Robichaud: In many instances, Mr. Chairman, the power that is being exported to the United States is being subsidized by the Canadian taxpayers. This should be an important consideration in a case like this. I have in mind particularly the case of the New Brunswick Electric Power Commission.

Mr. Herridge: Mr. Chairman, we in this group express the strongest support of this amendment. To meet the objection raised by the hon. member for Edmonton West, who I admit has not had an opportunity to read the amendment, I would suggest that if he looks at the last sentence of the amendment he will see provision for the thing he fears. This means that under comparable circumstances gas should not be sold in the United States for a price less than for which it is sold in Canada. We in this group give strong support to this amendment because we have suffered from this in British Columbia and appear to be going to suffer from it in the southern interior of that province.

Mr. Pearson: Mr. Chairman, I draw attention to the words of the Prime Minister on second reading of this bill as reported at page 4025 of *Hansard* of May 26:

> As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interests. With the implementation of this legislation, no longer will there be any suspicion that the Canadian consumer is being forced to subsidize the foreign markets or that Canadian industries will be asked to pay higher prices for their energy than those paid by foreign industries using Canadian energy.

The purpose of this amendment is to make the Prime Minister's words mean something.

Mr. Winch: It will also give the Conservatives an opportunity to fulfil an election promise made in British Columbia. I was reading in the paper a few moments ago that the Minister of Justice was speaking in British Columbia and boasting about how many promises the Conservatives had implemented. In British Columbia the Conservatives promised that there would be placed on the statute books of Canada a piece of legislation that would never again allow a situation like that which presently obtains in that province. Gas in Alberta and northern British Columbia is shipped all across the province of British Columbia on one line which remains unbroken until it reaches a point approximately fifty miles from Vancouver where it divides two ways. It goes to New Westminster, Burnaby and Vancouver through one branch and across the border through the other. The price to the wholesaler at the border on gas going south of the border is less per thousand cubic feet than the price to the wholesaler who supplies it to Canadian citizens in Vancouver, New Westminster, Burnaby and the Fraser valley.

This is an extraordinary and damnable situation which the Conservatives during the election said they were going to correct. Through this amendment we want to make sure a correction takes place. We are certainly in support of this amendment and we feel that the Conservatives are, too, unless they have changed their minds in the last two years.

Mr. Churchill: The amendment that has been proposed is almost identical in wording with regulation 9 under the Exportation of Power and Fluids and Importation of Gas Act. This is the regulation which the Borden commission recommended should be rescinded. Recommendation No. 4 of the Borden report reads as follows:

> That regulation 9 of "Regulations respecting the exportation of power and fluids and the importation of gas" made and established by order in council P.C. 1955-907, in so far as it applies to natural gas, be rescinded.

My hon. friends, now faced with that, are attempting to have it re-established in the legislation. That regulation is precisely the one which gave rise to the difficulties out at the west coast because of the phrasing, "in similar quantities and under similar conditions of sale", and it is very difficult to get two situations exactly similar. For that reason, along with other things that we have done in the legislation, we have left it to the board to determine what is just and reasonable in the circumstances; is it just and reasonable with regard to the price to be

charged by an applicant for gas or power exported by him, and it is just and reasonable in relation to the public interest.

The board we think will have to take into account the very factors my hon. friends are pointing out as to whether the public interest is protected, and to make sure that Canadians are not placed at a disadvantage with regard to their competitors in the United States. Our experience in Canada dates back to the days long before gas was used in this country, when hydroelectric power was being developed, and when hydroelectric power was being developed in this country some of it was done by United States capital. The power was exported across the line and used to build up United States industry there. Many years ago our people discovered that the advantage lay with the United States using the power that was developed in Canada. With that experience behind us we do not want to have the same thing happen with regard to this other great source of energy, namely natural gas.

Surely this is something that the energy board will take into account when it is considering the applications for export. At the same time I am sure they will have to take into consideration the cost to Canadian consumers if there is no export of gas. A line built at tremendous expense might operate at only a fraction of its total efficiency unless some gas were exported. If it operates lower than its full efficiency, obviously the price to the Canadian consumer will rise. The board will have to weigh and balance these factors one against the other and see what is to the advantage of Canada. With the difficulties that have already arisen and are apparent to Canadians under regulation No. 9 which I have just read we thought the wise thing to do was to give the board freedom of action to weigh all those factors and determine what was just and reasonable in relation to the public interest, and that is why the clause is worded as it is.

Mr. Robichaud: Mr. Chairman, the minister will realize that we have listened carefully to his argument and we have also noticed this afternoon and this evening that the minister has at his side the Minister of Public Works who has been moving quite a few amendments to this bill which proves why we were insisting that this bill be sent to a committee where it could be studied. Right from the time the bill was introduced we argued that it was a bill which needed careful study, and it should have been sent to a committee.

To answer the minister I would refer him to the remarks made by the Minister of Public Works as reported at page 1528 of *Hansard*, for February 25, 1955, when he was the member for Vancouver Quadra. Here is what he said on that occasion:

> I do not suppose it would be possible to have a power of revocation much wider than the one contained in the present act.

He was speaking then on the power, fluids and gas act. Then he added:

> Then there is the power to limit exportation to the surplus after Canadian needs have been met, and also to regulate the price on export so that price will not be lower than the price charged to Canadian consumers.

The amendment which we have moved is to cover exactly this point. It is to protect the Canadian consumers so that the price they will be charged for power is no higher than the one which can be charged for power exported to the United States.

Mr. Pearson: In the circumstances perhaps the Minister of Public Works would like to second our amendment. If he would not, perhaps the hon. member for Vancouver South, if he were in the house, would like to do it because only the other day he said, and I quote from page 4048 of *Hansard*:

> I believe one of the first acts of the energy board should be to review this matter to the end that the gas sold in the United States or any exported gas is not sold at any more favourable price than it is offered to Canadian consumers.

It is in order to assist the energy board in applying this very criterion to this problem that we have introduced this amendment. The minister emphasizes the desirability of giving the board flexibility in this matter. We think this particular question is so important that the board should also be given protection.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I rise to say just a few words about the sale of electrical power across the border. I think there is some misunderstanding in the mind of the hon. member for Gloucester on this score because I have been in conversation with the New Brunswick electric power commission and with other power commissions in various parts of the country. It is very clear to me that in the sale of hydroelectric power you have to keep in mind three or four types of power. If you are talking about firm power which will sell under a base load obviously it would be very simple to have the type of amendment you have in mind. Basic power can be sold at lower rates in the country of the source of origin sometimes.

You come now to the question of secondary power either as peak or dump power. If you can get a contract for your secondary power sometimes it can be sold at a lower price in your home country; but if you are up against a situation whereby your power surplus has a dumping factor in it then you do have to sell any place. This dumping

power comes up without any knowledge simply because of the flow or lack of demand. Then, it is customary in power systems to get rid of this power at any price whatever and that, of course, is the case in the New Brunswick electric power commission, the example which the hon. member gave. Last year because of the high flows in the Saint John river they had a power surplus beyond all their expected demands and beyond all they could use in their own country. Therefore, rather than let the power go to waste they sold it to the systems to the south for what I consider was an attractive price of five mills.

Therefore, getting back to the amendment, if you put in an amendment—and I can interrupt myself here by saying that no person more than I wanted, in all the cases listed, something that would prevent the things I complained of in the last few years—when you take a look at the direct benefit, if you put the amendment in that you have to sell at a lower price for similar quantities, then in the case of electric power you can do great harm to the efficiency of the Canadian-operated system. If we are to measure ourselves as to how good Canadians we are I think the test should be one that gives the best for Canadian interests all along the line. In the case of hydro power, when you are referring to dump power particularly, it would be absolutely wrong and hurt Canadian interests if you put such a statutory proviso in the bill which would limit the board to make adjustments that would be advantageous to Canada.

The same thing could apply to natural gas. No person in this house has over the years stood up and complained more about what has happened with the Westcoast Transmission and could have happened at Emerson and may even happen at the Niagara connection of those United States competitors who are processing using Canadian power cheaper than we in Canada can get it. If you limit this board to regulation 9 in the old act you might legally allow the very thing to happen that happened before, and I think we should all be determined not to let that happen again in the future.

Mr. Robichaud: No remarks have been made this evening which are more in support of our amendment than those just made by the Minister of Northern Affairs and National Resources. After all, the minister has referred to basic power, secondary power, power surpluses and the dumping of extra power but the minister has failed to consider the last part of our amendment which reads as follows:

—than the price at which gas or power, respectively, is supplied by him or his supplier in similar quantities and under similar conditons of sale for consumption in Canada.

This is exactly the point which the minister has failed to recognize in the remarks he has just made.

Mr. Hamilton (Qu'Appelle): I hesitate to speak again but I have not failed to recognize that. Using that example of similar conditions, if you were a power entity in Canada and were supplying your own market and if you had a surplus beyond that market and dumped that on your own market and destroyed your whole price structure you would break your own market but if you dumped that extra power into another country which could use it, then any price you got above zero would be a good deal. If the hon. member thinks that through for a minute I think he will see that is true.

Mr. Robichaud: In other words, the minister is making the point that Canadian taxpayers can subsidize power and export it to the United States and that it is a good deal to export power which has been subsidized by the Canadian taxpayers and sell it abroad at a lower rate than that offered Canadian consumers.

Mr. Hamilton (Qu'Appelle): You are putting words into my mouth which are not so.

Mr. Martin (Essex East): I am sure we have listened to a very extraordinary argument by the Minister of Northern Affairs and National Resources in support of the clause as it is proposed by the Minister of Trade and Commerce. As has just been pointed out, the conditions and circumstances of the foreign sale of gas, which have been mentioned by the hon. gentleman, can be safeguarded in the public interest by bearing in mind the concluding words in the proposed amendment which bear repetition, namely "is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada."

The hon. gentleman has made the same argument that was made by his colleague who argues for what he calls the principle of flexibility or perhaps we should more accurately say the principle of doubt. If the Canadian interest is such that the situation is as revealed by the two ministers speaking for the government, then surely the necessary safeguards are provided in the concluding part of this amendment. We have had placed on *Hansard* tonight the words of the Minister of Public Works, words uttered by him as a responsible member of the party in power. Those words must be taken as reflecting the principles that the

government had in mind with regard to this measure, and if there could be any doubt about the authority of this position the Leader of the Opposition has removed that by referring to the observations made by the Prime Minister in his speech on the bill on May 26 last when he said on this very point, as the Leader of the Opposition reminded us, as found at page 4025 of *Hansard*:

As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interest. With the implementation of this legislation, no longer will there be any suspicion that the Canadian consumer—

These are the important words.

—is being forced to subsidize the foreign markets or that Canadian industries will be asked to pay higher prices for their energy than those paid by foreign industries using Canadian energy.

With the safeguard in the amendment, "in similar quantities and under similar conditions", how is it possible for the government tonight to persist in this particular clause in the face of this statement by the Prime Minister? The Prime Minister is the head of the government and if hon. gentlemen pursue the present clause in its present form we are confronted with a division of view in the ministry itself. The Prime Minister had no doubts about this matter. I refer to other words of his which will be found on page 4021 of *Hansard* in which he said:

Finally there is the question of whether the public interest will be protected. One of the matters that was the cause of infinite unfairness to Canadians under some of the licences granted when the former government was in power was that Canadians paid through the nose for consumption in Canada while the price in the United States was lower.

These are not the words of a private member among those who sit on Mr. Speaker's right. These are not merely the words of a minister of the crown. These are the words of the Prime Minister spoken in this very debate on this very bill. When the Prime Minister spoke his words went all through the country. They were widely reported as reflecting the opinion of the government and these words of the Prime Minister were also widely applauded. The Prime Minister cannot expect parliament or the Canadian people to accept his words as representing government policy if the amendment now before the committee is not accepted or if there is no other appropriate modification of the words in the existing clause. The Prime Minister went on to say on page 4021:

These are a few of the material matters with which this legislation is concerned. Somebody said that the powers should be spelled out. In reply I affirm that they are spelled out—

We are asking that they be spelled out. We are asking that under similar conditions

[Mr. Martin (Essex East).]

where there are similar quantities involved Canadians will not be charged more than citizens or industrial corporations of the United States. That is the principle, that they shall be treated alike. That is what the Prime Minister said. Our amendment carries forward the principle stated in the Prime Minister's observations. The bill as now drawn without this amendment is absolutely contrary to what the Prime Minister said. I can only say to the Minister of Trade and Commerce, who has carefully piloted this legislation and, if I may say so, has done so with an understanding of the position of those who have sought to improve it, that he is placed in the invidious position of putting forward a clause in a bill which is diametrically opposed to the statements to which I have referred and which were made by the Prime Minister in his speech on this bill.

Mr. Drysdale: Would you like to finish reading that particular quotation?

Mr. Martin (Essex East): Yes.

In reply I affirm that they are spelled out and are sufficiently flexible to assure through public hearings and through maintaining the inviolability of the board by its appointment for a period of seven years—

I want to remind my hon. friend who has just asked me a question that he should remember these words of the Prime Minister:

Finally there is the question of whether the public interest will be protected. One of the matters that was the cause of infinite unfairness to Canadians under some of the licences granted when the former government was in power—

This is the important point.

—was that Canadians paid through the nose for consumption in Canada while the price in the United States was lower.

These words are on all fours with this amendment. The Minister of Trade and Commerce tonight, in putting forward this particular clause in its present form, presents to the house the most unusual sight of cabinet division that we have seen since this government came into office. The Prime Minister is advocating a policy that is fully consistent with this amendment. The Minister of Trade and Commerce is advocating another policy. He might not have recalled the words of the Prime Minister, and it is because of that that I hope he has taken advantage of the reading of those words of the Prime Minister to reflect on the position in which I think he is unfairly placed. Under our system of government, the cabinet must speak with one voice. The Prime Minister, on a matter of policy, cannot have one view and one or more of his ministers another.

If the Minister of Trade and Commerce persists in presenting this clause, without the amendment or the kind of amendment proposed, then hon. members and the country can come to no other conclusion but that the cabinet is divided on this matter, and the consequences of such a division of ministerial view are well known to the Minister of Trade and Commerce.

Mr. Churchill: I always listen with a great deal of interest to my hon. friend. I want to assure him that there is the greatest exposition of cabinet solidarity here—

Mr. McIlraith: Not Friday night, there was not.

Mr. Churchill: —that he has seen. As a matter of fact, the entire house is in agreement on the principle of this matter, the principle being that Canadians shall not be placed at a disadvantage when their natural resource, gas, is exported. We are in agreement upon that, but my hon. friends want to continue as the law of the land regulation No. 9 which I read some time ago. They want to continue this regulation which has caused all the trouble.

This regulation was examined by the Borden commission and they rejected it. They said to rescind it. Let me quote to you what the royal commission on energy had to say on page 13 of their first report. After reprinting the regulation, the commission wrote as follows:

While the commission believes it understands the result which regulation 9 was designed to accomplish, nevertheless we have found it most difficult and, indeed, almost impossible to interpret. In the first place, the quantities and conditions of natural gas sales vary greatly as between contracts, so that price comparisons are difficult to make. The usual method of determining appropriate prices is based on a computation of cost of service and there are various methods of allocating certain of these costs to different types and quantities of sale. Furthermore, the regulation does not take into account other factors, such as competitive prices and value of service, factors which many authorities believe should be taken into account in the setting of prices. In the opinion of the commission, regulation 9 should be rescinded.

The commission believes that, if a national energy board enquires into the terms and conditions of each proposed export contract, satisfies itself that the terms are fair and reasonable and in the public interest, and discharges the other responsibilities which the commission is recommending should be placed upon it, the objectives which the commission assumes were envisaged by regulation 9 will be achieved.

Regulation 9, as the hon. member for Kootenay West pointed out, is the regulation under which the situation developed about which he complained. The Prime Minister drew attention to this regulation on page 4021 of *Hansard* for May 26, 1959. He said this:

Members of the former administration said, "We cannot protect you because the regulations say that regard must be had to similar conditions and similar quantities before determination in this regard can be made."

It is because regulation 9 did not give the protection that everybody wants, and the whole House of Commons is in agreement on this, that the Borden commission rejected regulation 9 and suggested another way of dealing with it. Our drafting of the bill is made to achieve exactly that desired end. We put it up to the energy board to size up all the factors concerning each contract for export and determine, as it says here, that the price to be charged by an applicant for gas or power exported by him is just and reasonable in relation to the public interest. The public interest means the Canadian public interest, and surely the public interest means the development of Canadian industry. This does not mean to make it possible for a competitor across the line to gain an advantage from the use of our natural resource, gas.

How is it to be done? Regulation 9 has been tried and has been found wanting, so the suggestion is that the board be given this power to determine the method by which the public interest can be protected. It was not protected under regulation 9. My hon. friends, who are striving to bring regulation 9 back into the statutes, are surely on the wrong track. This has been proven to be wrong. The regulation was examined by the Borden commission and rejected and a new method suggested which is calculated to do exactly the things that regulation 9 did not do, one of which is to protect the public interest. I have read and re-read regulation 9, which is really the amendment before us. There is a change in only one or two words. Regulation 9 falls on that phrase, "in similar quantities and under similar conditions of sale", because you cannot get those things exactly equal. A person who is buying in great bulk, as was done out on the west coast, is buying under different conditions from the person who is operating a very small business on the Canadian side. This was the argument under regulation 9, that prices for export, therefore, should be lower than the prices in our own country, and it is to that the people are objecting.

Then how do we get the safeguard? Our suggestion is embodied in this clause with which we have been dealing, clause 83, paragraph (b). This will give us the safeguard that everyone wants. Certainly we cannot get it if we just simply carry along with regulation 9. My hon. friends, therefore, who have been trying to make out a case of

cabinet disunity and a case for lack of concern with regard to the Canadian people, have been arguing from a false premise. Our concern is exactly the same as that of our hon. friends opposite. Our concern was expressed by the Prime Minister in the words that have been quoted and re-quoted. Our concern has been shown by the wording which we have put into this bill.

Mr. Pearson: It is refreshing, it is almost unique, to listen to the minister produce a recommendation of the Borden commission in support of the position of the government. Against this recommendation we place the words of the Prime Minister, most of which are clear, and all we are asking the minister to do is to make an honest man of the Prime Minister by this amendment.

Mr. Brooks: I just wanted to say a few words on this amendment. I was rather surprised at the example cited by the hon. member for Gloucester in support of his amendment. He cited the export of electricity or power from the province of New Brunswick. He knows as well as I do that there is very little power exported from New Brunswick, an infinitesimal amount. As a matter of fact, up until the time the present government in New Brunswick came into power New Brunswick was starved for power. We feel very proud today that we not only have sufficient power for our own use but last year, as was pointed out by the minister for northern affairs, had power to export.

If we had charged the same price for the power that was exported as we charged for the power that was used we would not have been able to sell it. It would have been an entire loss. I suppose we used about 95 per cent at least of the power that was produced. The other small quantity was exported. The New Brunswick power commission found that they could make a good sale in the United States. They were well satisfied. I am satisfied, Mr. Chairman, that the people of New Brunswick felt that the public interest was well served by the amount that they received. I think that had this act with this proposed amendment been in force at that time the province of New Brunswick would have lost the sale of this amount of power and would have had this surplus on its hands. Frankly, as I said a few moments ago, I feel that a great disservice would have been done to the province of New Brunswick which is today in the proud position of obtaining all the power that it needs and, in addition, has some to export.

Mr. Robichaud: I have listened with great interest to the remarks that have just been made by the Minister of Veterans Affairs, and I am sure that if the minister had read the amendment—and I want to read again the last sentence, which has been repeated three or four times; I refer to this amendment that I have just moved—if the minister had read the last part of it, he would not have made the remarks which he has just made. The last part of the amendment reads as follows:

—is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada.

Mr. Brooks: May I ask the hon. member a question?

Mr. Robichaud: Yes.

Mr. Brooks: The amount that was exported, I think he will agree with me, was a very small quantity. I think it was in the vicinity of 5 per cent, although I have not the exact figure. To whom would he have sold in the province of New Brunswick 5 per cent at a lower price than he would have sold the other 95 per cent? Is he going to discriminate against the buyers in the province of New Brunswick simply in order to satisfy the sale of a very small quantity of power abroad?

Mr. Robichaud: Notwithstanding what the minister has said, we should also take into consideration the fact that we are selling power that is being subsidized by the Canadian taxpayer.

As to the statement made by the Minister of Trade, may I say that I followed it with great interest. I noticed that the minister was more interested in rejecting certain recommendations or certain aspects of the bill or of the Pipe Lines Act which were not recommended than those sections which were opposed by the Borden commission. This is being done by the same minister who incorporated in the present bill 23 out of 34 recommendations of the Borden commission. I therefore think it is a very weak argument for the minister to make when he states that the Borden commission could not approve regulation 9 of the Exportation of Power and Fluids and Importation of Gas Act, and to use this as an argument for not accepting our amendment.

The Chairman: Is the committee ready for the question on the amendment?

Mr. Martin (Essex East): I do not think this matter can rest at this point because the principle involved is too important. It will be recalled that when the Prime Minister spoke on May 26 he was followed by the hon. member for Ottawa West who put on the record a statement my Mr. John Davis who wrote in the "Behind the Headlines" series a pamphlet entitled "Canadian Energy Policy". At page 6, in the second last complete

paragraph, in the last sentence of that study, the following appears: He goes on to point out:

> The quantities of energy used in both countries—

That is Canada and the United States.

> —are about the same per unit of gross national product. Hence, the basic difference is one of price. Even in 1958, consumers in Canada were paying between 30 and 50 per cent more for their energy than were their opposite numbers in the U.S.A.

At that time we were discussing the second reading of the bill. We had not reached an examination clause by clause of the measure as we are now doing tonight. What the Leader of the Opposition and those of us who have spoken on this point have been endeavouring to do is to point out that the head of the government has taken one position and that the Minister of Trade and Commerce is taking another. In the absence of a statement from the Minister of Trade and Commerce I think we can only conclude that the point of view stated by the Prime Minister is for some reason or another not now being accepted by the government.

The Leader of the Opposition has put on the record observations made by the Prime Minister in his speech during this debate and a few moments ago I put on the record another statement of his. I now wish to put on the record a third statement which was made by the Prime Minister and which is seemingly even stronger and more pertinent than were the other two and only accentuates the difference that prevails between my hon. friend who has the responsibility of piloting this measure and the Prime Minister.

As reported at pages 4025 and 4026 of *Hansard* the Prime Minister stated as follows:

> As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interests. With the implementation of this legislation, no longer will there be any suspicion that the Canadian consumer is being forced to subsidize the foreign markets or that Canadian industries will be asked to pay higher prices for their industries than those paid by foreign energy using Canadian energy. That matter is extremely important.

Then the Prime Minister went on to say this, and I underline these words:

> In the trade world in which we are living, with the conflicts that are accelerating from month to month in the communist trade offensive, above everything else it is necessary for us in Canada, if our international trade is to be maintained, to see to it that we shall not be placed in a position where our costs in connection with energy derived from Canada are greater to Canadians than they are to any other nation, however friendly that nation may be.

Can there be any doubt about those words? The head of the government says that we must take steps in the bill, second reading of which was then before the house, so as to see to it that we shall not be placed in a position where our costs in connection with energy derived from Canada are greater to Canadians than they are to any other nation, however friendly that nation may be. Those are the words of the Prime Minister. Either those words mean something or they do not. Either they meant something when they were uttered or they were intended to give an impression which I am sure the Prime Minister did not intend. But the only conclusion is that his indications of intention are not being carried out in this bill. All that is being provided for in section 83 is that the board shall have regard to all considerations et cetera and that the board shall satisfy itself that the price to be charged by an applicant for gas or power exported by him is just and reasonable in relation to the public interest.

That is not what the Prime Minister said. The clause before us is not a direction. It is simply an indication that in considering an application for gas or power export the board will determine whether or not the price to be charged is just and reasonable. It says nothing about the price being charged to foreign corporations or industries being the same as the price being charged to Canadians.

Unless the minister is able to reconcile the difference between the words of the Prime Minister and the terms of this bill, the minister guiding this legislation tonight is, I repeat, in the unfortunate position of proposing something which represents a serious division between himself and the Prime Minister. The minister smiles, and I can understand why he should smile—I can understand his desire to smile—but that does not alter the fact that there is this difference between him, in his bill, and the words of the Prime Minister and this, under our constitutional practice, requires from the minister an explanation of the reasons for that variation in opinion which he has not yet given to the committee.

Mr. Churchill: The hon. gentleman is very entertaining indeed, but he is not logical and I regret that, because he used to be logical. There is no difference of opinion between the Prime Minister and myself. If there were I should be happy to find it out from the Prime Minister and not from hon. gentlemen opposite.

The words of the Prime Minister have often been quoted. He pointed out in his statement on May 26 that regulation 9 had failed to

give Canadians the protection they required. He stated in the same speech:

As to the price to be charged for gas and power it must be just and reasonable in relation to the public interest.

That is precisely what we have here in this bill, almost word for word.

Mr. McIlraith: No, no.

Mr. Churchill: Almost word for word. The hon. gentleman says "no" but let me read out part of clause 83:

The price to be charged by an applicant for gas or power exported by him is just and reasonable in relation to the public interest.

That is what the Prime Minister had in mind, that the public interest would be protected by giving this type of authority to the energy board who would not be cribbed, cabined and confined by regulation No. 9 which is a restrictive regulation. Here the board can take account of all the factors which should be considered, and there is no no doubt in my mind, after the Borden report and after the lengthy discussion here in the House of Commons, but that the energy board to be set up will take fully into account the Canadian national interest and take fully into account the expressions of opinion here from both sides of the committee, leading toward the same objective.

I commend hon. members opposite for their helpfulness in discussion throughout this debate. They have been of assistance to us in clarifying the measure. I think, however, that in this particular instance they have been somewhat less than helpful, although they have very clearly stated that in their opinion the national interest requires the same thing as we consider that the national interest requires. Thus we are at one as far as that goes. We differ as to the wording by which that objective is to be achieved. I see no difference of opinion between the Prime Minister and myself with regard to the substance of clause 83.

Mr. Pickersgill: I should like to ask the minister one question, if I may. What objection could the government have to accepting the amendment moved by the hon. member for Gloucester unless he and his colleagues intend that energy should be sold at a lower price to the United States? All this does is to impose one test—that it must not be sold at a cheaper price to the United States. What conceivable objection could there be to this amendment unless it is intended to sell at a cheaper price to the United States?

Mr. Churchill: I do not mind answering the hon. member for Bonavista-Twillingate. The amendment, as I pointed out before, is just a rewrite of regulation 9 in which there was no provision for the public interest and under which gas is today being sold in the United States at a lower price than to Canadian citizens.

Amendment (Mr. Robichaud) negatived. Yeas, 23; nays, 76.

Clause agreed to.

On clause 84—*Revocation and suspension of licences.*

Mr. Pearson: Clause 84 deals with revocation and suspension of licences for export and import, and it merely states that subject to subsection 2 the board may revoke or suspend a licence issued under this part. But in the earlier part of this bill when we were dealing with revocation and suspension of certificates under part III, we found clause 47 reads:

Subject to subsection 2, the board may by order, with the approval of the governor in council, revoke or suspend a certificate—

Mr. Churchill: In clause 84 it is not only subject to subsection 2 but it is also subject to the regulations, and in clause 85 the governor in council may make regulations with regard to the purposes and provisions of this part, and in the regulations it is open to the governor in council to require that any revocation or suspension of licences must have the approval of the governor in council.

Mr. Pearson: Is the minister's explanation that it is because in clause 82 the board does not require the approval of the governor in council to issue the licences, that approval is not required in this instance?

Mr. Churchill: In clause 82 it is subject to the regulations and the regulations when drawn up may require the approval of the governor in council.

Mr. McIlraith: Mr. Chairman, perhaps I should read this clause into the record in order to make my argument clear:

84. (1) Subject to subsection (2) and the regulations, the board may by order revoke or suspend a licence issued under this part if, in the opinion of the board, the person to whom it was issued has violated or failed to comply with any term or condition thereof.

(2) No order shall be made under this section unless notice has been given to the holder of the licence who is alleged to have violated or failed to comply with any term or condition thereof and an opportunity has been afforded to him of being heard.

My point is this. Presumably on these licences there may be several terms and conditions, some very important and some of lesser importance. It is possible that an exporter or a person licensed under this part may inadvertently fail to carry out one of the terms or conditions attached to the licence.

This present cause provides that he would be given notice and an opportunity of being heard. The legislation on which this is modelled is section 3 of the Exportation of Power and Fluids and Importation of Gas Act.

That act provided that in addition to their being a breach there must be notice to the licensee and the licensee must have an opportunity of rectifying the matter when drawn to his attention, and if he rectifies it there was no power of revocation. I point out to the minister the same argument I made on clause 47 which is similar when I outlined the danger of what he is doing by taking away that right of a licensee to rectify his breach in those circumstances.

I could perhaps move an amendment similar to that I moved previously but I do not think it is necessary. I made the point on the similar clause and I believe it is well understood by the committee. What the minister is doing here is putting an uncertainty on the value of these licences and that value is going to impair the right of the holder of the licence to finance his enterprise.

The minister pointed out at some length the need for investment in this whole industry and in the development of the sources of energy with which we are concerned and yet by this clause he is doing something that will interfere with obtaining investment and indeed tend to prevent the realization of what he indicated on second reading was so necessary. I therefore want to again draw the attention and point out this defect in the clause.

The Chairman: Shall the clause carry?

Mr. McIlraith: Has the minister anything further to say?

Mr. Churchill: Mr. Chairman, I was not certain that the hon. member wanted me to comment at length on this. I appreciate that his argument is the same as he made so effectively on clause 47. We will certainly bear in mind the point he has raised but again I doubt there is any real danger. We have written in here the opportunity for the holder of the licence to be heard under the circumstances. If his licence is to be revoked or suspended notice must be given and an opportunity for him to be heard must also be given. We think that provides adequate protection. When discussing clause 47 I pointed out that the argument advanced by the hon. member is certainly deserving of attention and his points will be borne in mind.

Clause agreed to.

On clause 85—*Regulations.*

Mr. Argue: Mr. Chairman, subclause 2 of clause 85 reads as follows:

> The governor in council may by regulation exempt any person or class of persons or any product or class of products or any transactions, persons or areas from the operation of all or any of the provisions of this part or the regulations.

It seems to me that this is another of those paragraphs that gives sweeping powers to the governor in council under which in fact, if the governor in council wished, it could take away all of the powers the board has under this clause. I think it is perfectly ridiculous for parliament to go to great lengths to spell out the specific powers of the energy board which the government says is going to be staffed by competent men and then include provisions of this kind.

Part VI in my opinion contains sufficient qualifications and escape hatches for the board to make decisions in the interest of Canada. I do not know why the governor in council should wish to retain this all-embracing power. I therefore move:

> That subclause 2 of clause 85 be deleted.

If the governor in council wishes to strengthen the powers of the board the members of the cabinet should have no hesitation in accepting this amendment. They have been in a receptive mood as far as some suggestions are concerned. If the board is going to be competent surely the cabinet does not need to retain this complete power of veto over every action of the board.

Mr. Churchill: Once again in relation to this clause there appears to be in the mind of the hon. member a tendency to go beyond what was intended. If it seems suitable to parliament to accept the subsequent clause No. 87 and if in time oil becomes controlled as to export and import, unless exemptions are permitted there would be an endless amount of red tape in the issuing of permits and licences for a product which would be moving not only by pipe line—in which form it is easy to control—but moving in small quantities, in tins and in forms like that.

Without an exemption provided for in the regulations every single bit of oil including the small cans of sewing machine oil would have to come in by permit. It was to guard against red tape and a great increase in the number of people who would be required to administer a program like that that this exemption clause was written in.

If my hon. friend thinks that it destroys the power of the board, or that the governor in council might be somewhat arbitrary in its use, there is always the responsibility surely to the House of Commons and to parliament. The government has to answer for everything that it does, so there is a check, and an effective check, on the misuse—which my hon. friend is thinking of—of subclause (2) of clause 85.

Mr. Robichaud: Mr. Chairman, we on this side of the house are definitely in support of the amendment moved by the hon. member. This is a clause which gives so much power to the governor in council that it may completely nullify the purpose of this legislation. It is a case of the government coming in by the back door to nullify the provisions of the legislation, and it makes the bill practically worthless notwithstanding the remarks which have just been made by the minister. For this very reason we will definitely support the amendment.

Mr. Argue: Mr. Chairman, if the cabinet is going to spend its time deciding whether there should be certain exemptions on sewing machine oil coming into Canada, and quarts of oil and thimblefuls of oil, they are going to be a very busy cabinet in considering all these exemptions.

Mr. Churchill: That is not the way it will be done.

Mr. Argue: I do not know what the cabinet does in its spare time. It must apparently have a great deal of spare time.

Mr. Churchill: You will never find out either from actual experience.

Mr. Argue: I will never find out because it will all be hidden; it will be kept away from parliament, that is right. "You will never find out", never find out what the cabinet is doing.

Mr. Churchill: The hon. member did not catch my last phrase, "from actual experience".

Mr. Argue: Hidden reports; cabinet secrecy.

We have a bill before us, Mr. Chairman, setting up an energy board, and every important decision is subject to the approval of the cabinet. The hon. member for Vancouver East says now, "all of the unimportant ones". We may have sewing machine oil in 6-ounce cans, or we have quart containers, and all these trivial things that the minister says will be dealt with under subparagraph (2). Surely the cabinet, in carrying out the public business of the country under its jurisdiction, has a tremendous burden now without having this all-embracing power which the Minister of Trade and Commerce says will be used only on trivial matters. I think the whole purpose in setting up this energy board should have been to give to the energy board the right to make important decisions which are not subject to cabinet veto every day of the week. There are certain things I would not object to, such as an appeal on general rates to the cabinet as there is on freight rates now from the board of transport commissioners; but to have every single decision of the energy board subject to cabinet approval I think would be a very great mistake. The cabinet complains of its burdens.

Mr. Fulton: We do not complain.

Mr. Argue: Oh, you do complain. You want sixteen parliamentary secretaries. That is the result of your complaint. The hon. gentlemen in the other place may have had the Minister of Trade and Commerce in mind, seeing that he has grouped around him a number of potential parliamentary secretaries, and they may have thought he needed more than one. Of course he has the advantage of many ministers. That is the solidarity of the cabinet, speaking with many voices. We are on energy, but I am not sure what kind at the moment, Mr. Chairman; but I do feel that this is a mistaken use of the important time of the cabinet to have in this bill, as in the other parts and in so many clauses, the right of veto. If the cabinet is going to consider all of these decisions—and they must, according to the legislation—I think it is taking upon itself a great burden of detail that it is not able to discharge. That is a bad thing in itself, and I think it is a very bad thing to have this board subject to cabinet veto on so many decisions.

Mr. Pearson: Mr. Chairman, we on this side would have moved the same amendment that has been put forward by the C.C.F. if they had not done it because this is an extraordinary provision to have in legislation of this kind, particularly as it comes from the Minister of Trade and Commerce who used to talk so vigorously and violently on the rights of parliament and the necessity of reducing the power of the executive.

The minister has said, of course, that their intentions in the exercise of this particular power will be good but, as the minister must surely recognize, good intentions do not ensure good legislation. He has also said—and this is a most extraordinary argument—that the reason for this provision is so that the cabinet can protect the public interest against unnecessary red tape and all that kind of thing. In other words, we are setting up a board of five responsible members. We are giving that board great powers, and yet the governor in council cannot entrust this particular board with enough power to deal with those minor matters. They must themselves put a provision in the legislation allowing the cabinet to take from the board not only its powers in minor matters but all powers because this particular clause empowers the governor in council to exempt any person or class of persons or any product or class of products or any transactions persons or areas

from the operation of all or any of the provisions of this part or the regulations. If that is not an arrogation unto itself by the executive of all powers over legislation, then I do not know what arrogation of power means. The only excuse the minister has given us, or the only one he has given us so far, is that there may be some quantities of this and that come in, some kind of oil, some kind of gas.

Mr. Argue: Cod liver oil.

Mr. Pearson: Cod liver oil or castor oil. It would not do to have this board wasting its time on matters of this kind; we have to give this kind of thing to the cabinet. Surely in the circumstances the minister himself will realize that this provision is not only unnecessary but ridiculous, and if it is not ridiculous it is dangerous.

Mr. Martin (Essex East): This matter is too important to allow it to pass without further observation, particularly in the absence of a strong statement from the minister.

The clause before us gives the governor in council power to make regulations for carrying into effect the purposes and provisions of this part and, without restricting the generality of the foregoing to make regulations respecting (a), (b), (c), (d), and so on. Usually, where the board or a minister or the governor in council is empowered to make regulations there is a provision for the tabling of those regulations. There is nothing in this legislation or the regulations requiring the governor in council or the minister to table the regulations within 15 days of the opening of parliament. I well remember the criticism which was levelled by hon. members over alleged assumption of power by the executive, by the present Minister of Justice.

We were going to give to a board, I think it was the old age pensions board, the power to make regulations, and those regulations the country and parliament would never know about. It was argued they would be kept within the confines of the knowledge of officials from the provinces or the federal government. There must be a requirement of the ministry, it was argued, that these regulations shall be tabled so that parliament will know what they are.

If there was justification, and there was, for that argument, how much more there is for a measure of this sort affecting as it does civil liberties and civil rights of the greatest kind. I suggest to the minister that on his own initiative he will see the force of this argument and that he will take steps to modify this clause at once so that there will be a requirement to table in parliament within a specified number of days the regulations which the governor in council will be empowered to make.

With regard to subclause 2, certainly there ought to be a requirement for the tabling of such a regulation. That subclause reads:

> The governor in council may by regulation exempt any person or class of persons or any product or class of products or any transactions, persons or areas from the operation of all or any of the provisions of this part or the regulations.

Yet there is no requirement to table a regulation so fundamental in its implications. I hope that the minister will take the initiative, as I said, to make provision in the bill for tabling the regulations envisaged in subclause 1 and in subclause 2. What can be the purpose of this particular clause? Here we have decided to pick a board, not a board of three as was suggested from this side in the interests of economy but a board of five, of five of the best and most competent individuals who can be obtained.

Mr. Pickersgill: Already selected.

Mr. Martin (Essex East): Already selected, one hon. member suggests—a board that is going to have the powers covered by various clauses we have already dealt with, and all of a sudden in one of the concluding clauses of the bill the governor in council takes the power to vitiate in whole or in part anything that the board may have done.

Let us just see how far-reaching this clause is. It is one thing to have government by the executive and parliament but under our system it is another thing to have government only by the executive. How often have we heard the Minister of Justice, who laughs now, the Minister of Trade and Commerce and others, speak about preserving the rights of parliament? I do not recall the Minister of National Defence in this particular but I am sure the Minister without Portfolio from Newfoundland was among those who spoke feverishly about preserving the rights of parliament against an executive that wanted to assume exclusive power. Hon. gentlemen have the opportunity tonight to repeat their speeches. Let them look at this particular clause and observe the power given to the executive by a government that was going to preserve the rights of parliament at all times, a government headed by a right hon. gentleman who went up and down the length and breadth of the country complaining about the invasion of the rights of parliament by the preceding government. Yet this present government, with less than two years in office, comes to parliament and puts before us a clause like this, the like of which perhaps no government in the history of Canada has ever tried to put before parliament.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Hon. members object. I see the hon. member for Rosedale laughing. He is a lawyer and one who theoretically at any rate, and I am sure in fact, appreciates the value of the rule of law. I ask him to look at clause 18 of the bill where the right of appeal to the Supreme Court of Canada is given on matters of law and on matters involving a question of jurisdiction. That is a precious right given by the bill in accordance with our traditions, those traditions which accord to the individual the right to seek the support and preservation of privileges and rights by the judicial arm. Under subsection 2 of the clause we are now discussing the cabinet can simply wipe out by order in council the right given to individuals and corporations under clause 18 of the right to appeal to the Supreme Court of Canada on a matter of law or on a matter involving the question of jurisdiction. Hon. members laugh at that but if they do they will be laughing at something that was uttered repeatedly in this house by hon. gentlemen when they sat on this side of the house and by no one more vigorously than by the Prime Minister. I have here the words of the Prime Minister as found at page 4563 of *Hansard* for June 9, 1955. Listen to these words of the then member for Prince Albert:

> I ask the Prime Minister now: Do you have to circumvent the rule of law in order to achieve power under this legislation? Nothing of the kind! Have the powers, but in order to assure—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): My hon. friends laugh. These words were so important at the time that I want to make sure that every word is underlined so that they will sink into the mind and heart of the Minister of Public Works for one, into the mind and heart of the Minister of Justice who should be the custodian of these things, who should be the first to rise tonight and say, "Of course we have made a mistake; we must not give the governor in council the power to take away the right of an individual to lodge an appeal on a matter of law or on a matter of jurisdiction to the highest court in the land."

Mr. Lambert: They do not take it away.

Mr. Martin (Essex East): But what hon. gentlemen said on another occasion is not to be pleaded tonight. The situation is different. They are now on the ministerial benches. It was all very well for them to complain about violations of the rule of law when they were in the opposition but now they are sitting in the seats of government. They say they are not going to do anything that will interfere in any way with the rights of the individual but at the same time they want this power of veto. They have not told us why. Just as we on another occasion were subjected to criticism because we did not give answers regarded by those in opposition as satisfactory, it is now our duty in the opposition to ask the Minister of Trade and Commerce to explain to us in careful detail why he takes these wide powers in the face of this statement of the Prime Minister who said:

> Have the powers, but in order to assure that no individual shall be discriminated against and denied equality before the law, to assure that the individual shall not be a puppet in the hands of the minister, give to the individual who is able to establish that he has been discriminated against a right of review by the courts of the land. Surely we have not arrived at a state of mind in this country when parliament is asked to abdicate the rights of the courts for an indefinite time in the future in order to satisfy the desire for power of any minister or of any government.

Mr. Fulton: Can you give us the page reference?

Mr. Martin (Essex East): I have already given it, page 4563, June 9, 1955. These are words which I am sure the Minister of Justice recalls very well because, if I remember rightly, he too made some speeches in that same debate complaining about the power given to the executive. I ask him tonight as Minister of Justice, in charge of the law offices of the crown, as the minister supposed to advise his colleagues on those matters that have to do with preserving the rule of law, what does he think of a clause in a bill that gives to the governor in council the power by a single act, an order in council based on a regulation that need not be tabled in the house—

Mr. Fulton: Certainly, it must be tabled.

Mr. Martin (Essex East): My hon. friend says it must be tabled. Will he point out where, in this clause, there is anything that requires the governor in council to table a regulation or where there is anything in this clause that requires the governor in council to table particular regulations exempting any class or any person or any class of persons or any product or class of products or any transactions, persons or areas from the operations of all or any of the provisions of this part of the regulations.

Talk about government by executive—I say again there has never been—

Mr. Fulton: Has my hon. friend never heard of the Regulations Act?

Mr. Martin (Essex East): —on the part of any government less appreciation of the importance of its relationship to parliament. What was that?

Mr. Fulton: Has my hon. friend never heard of the Regulations Act when he says there is no provision that these regulations shall be tabled?

Mr. Martin (Essex East): My hon. friend says, have I heard of the Regulations Act? Of course I have heard of the Regulations Act, but I have also seen acts that insist upon a board having this power also making it mandatory that these regulations be tabled. I have seen other acts under which the governor in council had to take such powers as these, making these bodies responsible to parliament.

Mr. Fulton: Does my hon. friend know the provisions of the Regulations Act?

Mr. Martin (Essex East): My hon. friend says, do I know this or do I know that.

Mr. Fulton: The answer is obvious, you do not.

Mr. Martin (Essex East): Does my hon. friend not know that one of his first responsibilities as Minister of Justice is to see that the executive arm of government in this country is given powers consistent with the traditional role of the executive in relation to parliament, and powers which will not place the executive in a position where it is capable of overriding the wishes of parliament, the wishes of the people in the country, by order in council? I say to the Minister of Justice, pass this clause and you will have given the best demonstration of the insincerity of the words used by hon. members opposite when they criticized us with regard to legislation which they thought was a violation of the rule of law.

Hon. gentlemen now have the opportunity of proving their worth by changing this clause and making it consistent with the declarations of the Prime Minister and of hon. members who sit opposite, declarations made in this house when they were the great champions of the rights of the people and the rights of parliament itself.

Mr. Pearson: The Minister of Justice finds this very amusing. Let me put on the record—

Mr. Fulton: I find my hon. friends amusing, not the subject.

Mr. Pearson: Let me put on the record—

Mr. McPhillips: Is your lieutenant not good enough?

Mr. Pearson: —what the minister himself had to say on June 13, 1955. What was that witty intervention?

Mr. McPhillips: Is your lieutenant not good enough?

Mr. Robichaud: He is back to his dreams.

Mr. Pearson: That is the kind of intellectual intervention which we are accustomed to expect from my hon. friend. That is what the Minister of Justice had to say on June 13, 1955, page 4732 of *Hansard*:

> Those who give and those who receive arbitrary power are alike criminal and there is no man but is bound to resist it to the best of his power, whenever it shall show its face in the world. It is a crime to bear it when it can be rationally shaken off . . . Law and arbitrary power are in dreadful enmity.

I suggest the Minister of Justice ought to shake off some of this arbitrary power.

Mr. Churchill: Mr. Chairman, when I was listening to the hon. member for Essex East rising to those heights of oratory I saw before me what I had often hoped to see, a member of the House of Commons exhibiting, the meaning of that classic phrase that I think was used by Winston Churchill with respect to a member of the House of Commons being carried away by the exuberance of his own verbosity.

Mr. Pearson: That was Disraeli.

Mr. Churchill: Yes, but I believe it was repeated by Winston Churchill. Tonight the hon. member was carried away off the beaten path, away from the root of the matter. He became frightfully excited over what he tried to make out was a vital matter. The Minister of Justice and I were quite pleased at his reference to the debates of 1955. The Minister of Justice said to me, apparently we taught them a lesson which they have not forgotten. Now, they are making us immortal by quoting those words that we spoke in 1955 concerning the rights of parliament.

I should like to mention one or two of the matters referred to by the hon. member for Essex East, the first one of which was with regard to the tabling of the regulations. This is required by the Regulations Act, section 7 of which reads as follows:

> Every regulation shall be laid before parliament within 15 days after it is published in the *Canada Gazette* or, if parliament is not then in session, within 15 days after the commencement of the next ensuing session.

The regulations, therefore, will be made public. They will be disclosed to parliament. They can be called into question by my hon. friends, if they so desire.

My hon. friends attempted to make us believe that this proposed subclause of clause 85 would take away rights which we have already declared to exist for citizens under clause 18. It has nothing to do with that at all and does not remove any rights whatever. Let us descend from the summit and get down to the facts that are involved. Here we are

dealing with part VI, dealing with exports and imports; that is all. We are not dealing with certificates of public convenience and necessity or any of those major matters that the board has to determine. We are dealing here with exports and imports of gas and we suggest that here, by regulation, certain exemptions may be allowed, not for the purpose of burdening the cabinet, as the hon. member for Assiniboia was trying to make out. These regulations will express where the exemptions shall lie and will remove, as I said before, or prevent a great deal of red tape being accumulated in the issuance of permits for small quantities that are exported or imported. Surely, this is a sensible arrangement.

If we accepted the suggestion of my hon. friends in Her Majesty's loyal opposition they would give all the power to the board. We have been debating this back and forth now for seven or eight days, as to who is to have the power. Some of my hon. friends opposite want to give full power to the board. We say it is more sensible to give the board certain powers subject to approval by the governor in council because, the government being responsible to parliament, that is where the responsibility should lie.

However, let us not magnify the importance of subclause (2) of clause 85 which deals with regulations to provide exemptions and simply makes it easier to operate this act under conditions, if and when clause 87 is applied and controls are exercised over oil. This power would not be required to anything like the same extent with regard to gas.

Mr. McIlraith: The minister concludes his argument by appealing to us to leave the section intact on the grounds it would make it easier to operate this act. I do not believe the test of legislation is whether or not it is easy for a government to operate an act.

Mr. Churchill: Not for the government, easier for industry.

Mr. McIlraith: I hope the minister, when he reads his words, will not put on them the meaning of which they are capable, and the only meaning that they can have, that the test is whether an act is easy to operate; that is not the test of good legislation.

There is one point I must correct. He pointed out, with reference to my hon. friend from Essex East, that subclause (2) of clause 85 did not interfere with clause 18 of the bill. I cannot follow that argument at all. Clause 18 is a general clause giving a right of appeal to the Supreme Court of Canada over matters of law and jurisdiction. That applies to all orders under the board. But the minister, under paragraph 2 of clause 85 can exempt all companies from the operation of this part of the bill. By doing that, he completely nullifies the bill in so far as those rights are concerned.

It seems to me that he has made no case at all and no cause that would justify the governor in council rendering inoperative this whole part of the bill which has to do with gas and power exports and imports. The effect of clause 85 (2), as it now stands, is that the governor in council can exempt all companies in Canada from the operation of the part. Surely that is not desirable or defensible legislation. I leave it on that simple ground and ask the minister to make some defence of that extraordinary request for arbitrary power that is quite out of keeping with any principle of legislation that I have ever heard asserted in this house.

The Deputy Chairman: Is the committee ready for the question?

Mr. Pickersgill: If the minister examines this language at all carefully, surely he will see that it would be perfectly competent for the governor in council—if parliament saw fit to accept this subsection (2); and may I say that when I have the minister's attention I shall be glad to continue—to exempt one pipe line and not another, or in other words, to have one come under the law and another not to come under the law. In other words, what the government is doing here is giving itself the power to make one law for one company and another law for another company. There is no limitation whatsoever upon the kind of company or the area or anything else that can be exempted. In other words, under this legislation you can at one fell swoop have a favoured instrument decided in secret in the cabinet, as was pointed out when the amendment was moved. Surely that is an entirely objectionable power to give to the cabinet. If they want to pick some special instrument and to clothe it with some special power and some special exemption, surely they could come to parliament and ask parliament to do that and disclose their reasons.

Mr. Regier: This part of the bill, Mr. Chairman, has to do with, among other things, the export and import of power or gas and also with the price that is charged therefor. The amendment now before us seeks to remove from the act the provision giving the authority to the governor in council by regulation to exempt any person or class of persons or any product or class of products from the provisions of this act.

I can very well recall how, only a limited number of years ago certain members of

this house did not want United States buccaneers, as they called them, to be instrumental in the building of the trans-Canada pipe line. Who did they initially have confidence in? It was an individual by the name of Mr. McMahon. They implored the Liberal government of the day please to invite Mr. McMahon and to see whether or not he would not be willing to build the trans-Canada pipe line.

We in the lower mainland of British Columbia have a "beef" against Mr. McMahon. Our complaint was investigated by the royal commission on energy. The royal commission had certain things to say with regard to the prices that were being charged to Canadian wholesalers of natural gas or Canadian distributors, prices in excess of those that were being charged to United States wholesalers south of the line. The Borden commission did not mince words in roundly and soundly condemning the practice of the Westcoast Transmission Company Limited.

Now we see what is happening with regard to this man who was a hero in the eyes of the Conservatives of this house only a limited number of years ago. We now see where this cabinet is asking for authority to exempt such an organization as Westcoast Transmission Company from any decision of the board that would have regard to the price to be charged by an applicant for gas or power exported by him in relation to the public interest. We contend—and we have done so for a considerable length of time on the lower mainland—that the public interest in British Columbia is not being served by the practice of Westcoast Transmission Company Limited. We were confirmed in our contention by the findings of the Borden commission, and now the government is asking us to authorize the company to continue these practices.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask what the house will do tomorrow? Might we have some indication of what the business will be for the rest of the week?

Mr. Green: Tomorrow we will commence with the motion which stands in the name of the Prime Minister concerning the extension of the times of sittings of the house. Then we will continue with this present debate and, should it be terminated, go on with the order of business which I listed on Friday. On Wednesday we have to take interim supply first.

Mr. Chevrier: Can the leader of the house give us any indication of what estimates we shall take if we get through interim supply?

Mr. Green: I am not sure of that. I will let the opposition know. If we do not finish the energy bill on Wednesday night we will go on with it on Thursday.

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

Question

ANSWER TO QUESTION

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

RAW SUGAR IMPORTS

Question No. 436—**Mr. Crouse:**

1. How much raw sugar did Canada import in 1958?

2. How much of this raw sugar came from (a) the British West Indies including British Guiana; (b) Cuba; (c) Dominican Republic?

3. What was the amount of money collected by the Canadian government in import tariffs or duties on this raw sugar imported from each of the above countries?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Imports of raw sugar cleared through customs ports in Canada during 1958 amounted to 14,622,666 cwt. valued at $58,578,134.

2 and 3. The amounts, value and money collected on imports of raw sugar cleared through customs ports in Canada during 1958 for selected areas follow:

	Amount	Value	Customs duties
(a) B.W.I. (including British Guiana)	5,045,855 cwt.	$21,238,026	$1,573,605.60
(b) Cuba	4,267,124 cwt.	$14,773,274	$5,582,618.97
(c) Dominican Republic	71,700 cwt.	$ 267,439	$ 97,366.49

HOUSE OF COMMONS

Tuesday, June 2, 1959

The house met at 2.30 p.m.

PRIVILEGE

MR. PEARSON—REFERENCE TO REMARKS IN DEBATE ON JUNE 1

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege arising out of a statement I made in the house last night and which is found on page 4224 of *Hansard*. We were discussing the provisions of the bill before the house which we thought, in the form in which it was, conflicted with a statement made by the Prime Minister on second reading of the bill, and in a rather colloquial and light-hearted way, in order to point out this conflict and try to have it removed, I said—and I am quoting from *Hansard*—

All we are asking the minister to do is to make an honest man of the Prime Minister by this amendment.

It has been brought to my attention, Mr. Speaker, that this might be interpreted as a reflection on the Prime Minister. Of course it was not intended as such, and if any such interpretation were given to it I would be the first to regret it.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I might be allowed to say just one word. I know that in the course of debate we say things the tone of which is not apparent in the cold print of *Hansard*. I thank the hon. gentleman for what he has said, and I express my deep appreciation of the attitude he has shown.

VETERANS AFFAIRS

Fifth report of standing committee on veterans affairs—Mr. Dinsdale.

BUSINESS OF THE HOUSE

EXTENSION OF HOURS OF SITTING ON WEDNESDAYS, THURSDAYS AND FRIDAYS

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That on Wednesday, June 3, 1959, and on every Wednesday, Thursday and Friday thereafter until the end of this session, the hours of sitting shall be as follows:

Wednesdays—11:00 a.m. to 1:00 p.m., and 2:30 p.m. to 6:00 p.m.

Thursdays—11.00 a.m. to 1:00 p.m., and 2:30 p.m. to 6:00 p.m., and 8:00 p.m. to 10:00 p.m.

Fridays—11:00 a.m. to 1:00 p.m., and 2:30 p.m. to 6:00 p.m., and 8:00 p.m. to 10:00 p.m.; and that the provisions of standing orders 2(1) and 6(3) be suspended in relation thereto.

He said: Mr. Speaker, I rise simply for the purpose of moving the motion to which you have alluded and to express the hope that it will receive the support of the house. In bringing it up at this point in the session I think we follow in general the position that has been established in this house over the years.

No one will be rash enough to conclude with any certainty the time when the business of the house will be completed in any year. I feel, having regard to the fact that this is the 92nd day of sitting, that it is opportune to do those things which are ordinarily done in order to expedite consideration of the matters yet to be brought before the house.

In presenting the motion I would point out that Mondays and Tuesdays are still left untouched. In that connection may I say that I understand there are still two supply motions to be dealt with before this session can conclude. We are leaving Monday and Tuesday mornings open until the supply motions are dealt with, and at the same time we are providing extra time for the holding of the meetings of committees which are still continuing to sit.

I mentioned a moment ago that I am following a course similar to that taken by my predecessors in office. Looking over the record I find that in 1947 Wednesday evening sittings began on the 78th day, May 28, and that morning sittings—this is one exception I want to place before the house—did not begin until July 10, the 109th day. That was the course as well in 1947-48 when the house opened on December 5 and morning sittings did not begin until the 102nd day.

However, in 1949 the session was divided and at the first session, which was prior to the election, morning sittings began on the 38th day and in the second session following the election on the 42nd day. In the regular session of 1950 the house opened on February 16 and morning sittings began on the 69th day, which was June 1. In 1951 the house opened on January 30 and morning sittings began on June 11, the 88th day. In the second session of 1951 morning sittings began on the 45th day. In the session of 1952

morning sittings began on the 71st day, June 16. In the 1952-53 session morning sittings began on the 84th day. In both 1952-53 and 1953-54 sittings began in the fall of the year and in the 1953-54 session morning sittings began on May 31. In 1955 morning sittings began on June 9, the session having commenced on January 7. In 1956 the session opened on January 10 and morning sittings did not begin until July 16.

Generally speaking this is approximately the time when this motion has been moved. I for one do not want to do anything to place the opposition in an impossible position. I realize how much preparation must be made by an opposition member. I know something of the difficulties involved in not having a secretarial force attached to the civil service to provide the necessary research information. However, taking all these matters into consideration I hope that without in any way indicating that we are trying to rush the conclusion of the session, which is farthest from my mind, I think now is the appropriate time to make this motion. We still have available two mornings in the week, and Saturday sittings do not begin until we are closer to the end than it is apparent at the present time. Wednesday evenings as well are still not taken up.

No one wants to push consideration of the measures that are before the house or which will come before the house. We want the fullest possible discussion, but in order to bring the session to an end within the reasonable period for which we all hope I make this motion at this time, and I am asking for general support.

If on the other hand the attitude is that we do not want to get along, well, the motion will still be in its position on the order paper. However, I hope we can secure that degree of general support which will assure the fullest discussion and the most complete and mature deliberation of the measures that come before us, coupled with that expedition which, I am sure, it is always desired to achieve.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, the Leader of the Opposition has asked me to say a word or two on this motion, and I am happy to do so. I am sure that all of us on this side of the house will agree with the general position that it is not only necessary but advisable that we conclude the sittings of this house, having regard however to the amount of work that is before us on the order paper and having regard also to our responsibilities as an opposition to parliament.

I agree with the Prime Minister in some of the suggestions and some of the ideas which he expressed a moment ago. There are, on the other hand, some matters which I believe should be brought to the attention of parliament and which were perhaps not brought forcibly to the attention of the Prime Minister. Some of them are as follows. In the first place, I think the moment this motion is put on the order paper it is indicative that the end of the session is in sight. This has been my experience, at least, when I sat on the other side of the house. However, when I look at the order paper, and when I look at the estimates unpassed, and at the work of the committees, as well as some of the other things which I will mention later, I cannot see the end of this session in sight before anywhere from six to eight weeks, or perhaps more than that.

I shall tell the Prime Minister why. All one has to do is glance at the order paper and at the other matters with which parliament is concerned. The first of these is the estimates. Thus far only three departments have been concluded, the Department of Citizenship and Immigration, the Department of Agriculture, and I believe the Department of Labour. All the other departments still remain to be dealt with. I am not suggesting for one moment that the other departments should take as long as these three. I hope they will not. We will certainly give the fullest co-operation to the consideration of these estimates with the dispatch which is necessary to their proper consideration.

But I remind the house that the remaining departments alone constitute enough work for almost four weeks, if not more than that. Then from amongst those departments I single out the Department of National Defence which is one which certainly should take as much time, because of its importance, as the Department of Agriculture. There is the Department of External Affairs, upon which we have had some debate but which has not been completed. There are many other departments, including the Department of Northern Affairs and National Resources. I am sure my friend the Minister of Transport (Mr. Hees) will have a long statement to make which will be highly contentious—

Mr. Hees: There is nothing contentious in it.

Mr. Chevrier: —and which will take some time. But be that as it may, there are these estimates which deserve consideration. Then there is the work of the committees. It seems to me that the practice in the past has been to bring in a motion of this kind when the work of the committees was about completed or on the verge of being completed. My understanding of the work of the committees is that it has hardly begun.

Some hon. Members: Oh, oh.

Mr. Chevrier: My hon. friends say "Oh, oh". Let them look at *Votes and Proceedings* of yesterday. There, on the last page but one, they will see what committees are meeting on Tuesday and Wednesday of this week. There are no less than eight such committees meeting. How we can perform our duties in the House of Commons and be at those committees is rather difficult to understand, particularly now when the house is going to sit in the mornings beginning on Wednesday, Thursday and Friday. It therefore seems to me that little or no consideration has been given to that fact.

Then I am informed by the hon. member for Essex East that in the committee on industrial relations a motion was made, which fortunately was not passed; at least an attempt was made to have that committee sit while the house was sitting. That is a repetition of what was done in the public accounts committee last year. Although the attempt was made it was not successful. I submit that this procedure is a mistake. With deference I submit to the Prime Minister that it is a mistake to ask the members of the opposition while we are responsible for our work in the house, to sit in committees while the house is sitting and to consider matters of importance in those committees.

An hon. Member: Why don't you work?

Mr. Chevrier: It seems to me that procedure is not consistent with the work we have to perform in the house. Then all I need say in response to those on the other side of the house who are interrupting, is to ask them to remember what attitude was taken by those who now sit on the government benches under similar circumstances when they sat on this side of the house. I know they protested bitterly under those circumstances. Having regard to the information I have just given here, I do not see that the circumstances are at all different.

Then, Mr. Speaker, would you allow me to say a word about the legislation which remains to be dealt with by the house. The Leader of the Opposition asked the Prime Minister—I believe it was on April 21 of this year—what the remaining business was. Just listen to this, Mr. Speaker; this is what the Prime Minister said six weeks ago, as reported at page 2877 of *Hansard:*

> I would say that in addition to the items which are already on the order paper the following will be introduced: the bill of rights, a bill to amend the Unemployment Insurance Act, a bill to establish a national energy board, a bill to amend the Export Credits Insurance Act, a bill to provide additional grants to the province of Newfoundland, an amendment to the Bretton Woods Agreements Act; bills respecting the superannuation of members of the Royal Canadian Mounted Police and members of the Canadian forces; a bill to amend the Combines Investigation Act, and a bill to bring in certain amendments to the Criminal Code.

Then he went on to say this:

> In the field of agriculture, amendments will be introduced to assist the provinces in implementing crop insurance, as well as a bill to extend and improve farm credit facilities, and a bill to allow veteran farmers to take greater advantage of modern agricultural practices will be introduced by way of amendment to the Veterans Land Act.
>
> In addition there will be, of course, the budget legislation—

Which, of course, has been disposed of.

> —and the usual measure respecting the financing of the Canadian National Railways. Consideration is also being given to certain other measures of lesser importance.

Much of the legislation appearing in the list I have just mentioned is contentious, and the vast majority of it is still not before the house. The only items mentioned in this list which are now before the house are the bill to amend the Unemployment Insurance Act, which is under consideration by a committee, and the bill which is now under consideration in this house to establish a national energy board. All the rest—

Mr. Fleming (Eglinton): And the Bretton Woods Agreement Act.

Mr. Chevrier: Yes. I agree there are some non-contentious matters which I have not time to deal with, such as the one the Minister of Finance (Mr. Fleming) has just mentioned. That matter is entirely non-contentious, and I can assure the minister at once that we will give the fullest co-operation to that matter in its passing. In addition to that, sir, there are two motions to go into supply. They may take two days, they may take one day, I do not know; that will be a matter for the house to determine.

What I deprecate in particular is this. If this legislation which was announced by the Prime Minister six weeks ago, much of it contentious, is brought down now, this legislation, a lot of it important, will be brought down in the last days of the session. I refer particularly to the federal-provincial tax-sharing agreements. There is an example of an agreement upon which there has been a good deal of debate, that is true; but it seems to me that is a matter which should not under normal conditions take the time it has taken.

I say this to the government, with respect. I believe in my mind and in my heart that it is not the intention of the government to change in any way the formula that was established in that legislation. That being the case, why is it necessary to renew this agreement each year? Why is it not possible by one piece of legislation to dispose of it in one

session? That is why I say it is a contentious matter which comes before parliament each year.

I presume I will be told after I have resumed my seat that we take far too much time in discussing the matters which from time to time come before the house. But let me assure my hon. friends opposite that members on the government side also take up a great deal of time. I am not complaining about that; that is their right and their privilege. However, I can point to two or three debates where they did take up a great deal more time than we on this side of the house. That being the case I do not think complaint can be made that we are taking undue length of time.

In my opinion, sir, this motion is premature. It seems to me that the motion is aimed at ending the sittings of this house by a fixed date. I may be wrong in that assumption; if I am, then I will accept the correction. But what I think the house should be reminded of is that we on this side have a job to do. We feel that that job cannot be done within a few weeks. We feel that because of the legislation, contentious as much of it is, announced by the Prime Minister, because of the remaining departments which have not even yet been touched, and because of the committee work, most of which has not been reported upon, this motion is, as I say, premature.

I do hope the Prime Minister will accept these remarks in the spirit in which he made his opening remarks a moment ago. With that in mind I ask the Prime Minister if he will not give consideration to this suggestion, because I am sure that when he rose a while ago he rose with no other intention but that of being helpful. At least that is what I gathered from the tone of his remarks.

The suggestion I make is that until the majority of the committees have reported on their work for this session, this motion should be allowed to stand on the order paper. If that were done I am sure there would be a greater disposition on the part of those of us who sit on this side of the house to find ourselves in agreement with the government on a motion such as this at this stage of the session.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I believe it is true to say that this is approximately the usual stage during a session when a motion is brought forward to provide for morning sittings. However, I do believe that at least some hon. members in this house are slightly in error in their thinking and in their hope that being a member of parliament is really just a part time job. It seems to me that as the nation expands and parliament has to deal each session with an increasing volume of legislation, the fact becomes more and more clear that being a member is a full time job.

If this is the case I think we should attempt to get away from the practice of trying to cram the work of the session into five or six consecutive months. Rather, the government in consultation with other parties in the house should consider whether or not the business of parliament can be more efficiently dealt with by a longer session and more frequent recesses. This would, of course, have the advantage of permitting the employees of the building, the members of the staff and the members of the House of Commons, to enjoy holidays during the summer months, which is the normal time when holidays are taken by most Canadians.

I also think that in closing the debate the Prime Minister should inform the house as to whether or not there are new pieces of legislation to be advanced during this session and, in general, whether there is to be any greater work load given parliament than we have been told about heretofore.

In fairness I should also say that this motion to a substantial degree is a compromise motion. It is not a motion to call for morning sittings five days a week, nor does it call for evening sittings five days a week or on Saturdays. Instead it is asking that parliament sit Wednesday and Thursday mornings as well as Friday evenings in addition to the regular hours of sitting. At this particular stage of the session and in view of the attitude of the parties generally as to how sessions should be managed, we feel this is an appropriate time to bring forward a motion of this nature.

We wish to point out, however, in the strongest possible terms that there is an excellent argument for those who say that committees of the house should not sit while the house is sitting. We know that certain committees are sitting when the house is sitting. I believe there should be a reluctance on the part of the members of all committees that are not now sitting while the house is sitting to accept this extra burden, at least for another couple of weeks until we see how the session progresses.

The greatest objection to this motion arises from the possibility that after this motion passes there might be a further endeavour to have more committees meet while the house is sitting. This would make the work of all hon. members of parliament completely impossible, and would bring parliament into critical view on the part of the Canadian public.

With these reservations and with the hope that the Prime Minister will give consideration to the suggestion we have made, we are prepared to give this motion our support.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, there is very little for me to add to what my colleague has said, but it seems to me the consideration that weighs most in our minds is the difficulty of combining committee work when there is so much of it in progress, with our duties in the House of Commons. The Prime Minister himself earlier in the session said it was not his intention to make impossible the reconciliation of the duties of committee members with their duties in the house, but with eight or nine committees sitting and with some of them sitting more than once a day it is extremely difficult if not impossible for members of the official opposition to do full justice to their work in the committees and in the house.

Having regard to what he said earlier in the session about this matter I would therefore ask the Prime Minister if he would not be fair enough to have another look at this situation next month in the light of the progress made by the committees, and if the progress that has been made is satisfactory a motion of this kind would surely be more acceptable to all hon. members of the house then than it is now.

Mr. Diefenbaker: Mr. Speaker, first I want to thank all hon. gentlemen for the contributions they have made to the discussion of this very important matter. I fully understand the position that is advanced by the hon. member for Laurier. To summarize his words, he said there might be some who say we spend too much time discussing matters that come before the house. I do not belong to that school, nor have I ever adhered to the suggestion that beneficial discussion shall not take place on every measure that comes before the house.

Sometimes I think all of us are prone to error in that regard, in believing that prolixity and repetition take the place of full and careful consideration and deliberation on the matters that come before the house, but the latter is of the essence in the discharge of the responsibilities of parliament. I wish to do nothing that would in any way reduce the opportunity of those in the opposition to engage in the fullest discussion, nor do I wish to coerce the opposition in any way.

I was very impressed by the views expressed by the hon. member for Assiniboia. The group he represents is small in number, and naturally members of that group have a variety of matters to discuss that would tax the energies of a group three or four times the size of the one in question.

In general our viewpoint is that we do want the fullest possible consideration. I do not want to be in the position of pressing upon the opposition the acceptance of this motion. The hon. member for Laurier said it looks like six weeks and possibly more. It is the responsibility of parliament to discuss and consider these matters to the full. There is no question of a target date such as he suggested. I for one would not to the slightest degree concur in any suggestion that we determine upon a target date and thereby fail to do what is required of us, so we can banish that thought.

Of course, whether the house takes until September is an open question. When sitting in opposition I was told that the length of the session is always determined by the opposition. The entire field of legislation has been set out, in so far as it is possible to do so, in the outline referred to by the hon. member for Laurier. Some matters may arise that at the moment cannot be contemplated, but with due regard to that possibility I may say that that which was set out some weeks ago represents the program of legislation which will be submitted to parliament.

Mention was made of the difficulty of attending committees while the house was sitting. This motion, as the hon. member for Assiniboia has said, is a compromise one. Instead of going the whole way, as has been the custom in the past, of providing in the beginning for sittings in the mornings throughout the week and on Friday nights, to begin with, the only possible interference with committees would be on Wednesday and Thursday. We will not sit on Wednesday evenings. Committees do not sit on Wednesday evenings or on Friday evenings; at least it was not my experience throughout the years that there was ever any desire for committees to sit particularly on Friday evenings.

However, hon. gentlemen opposite have taken very strong objection, as I say, to the course suggested. I think it would tend to meet the needs of the opposition to assure them that in every way they will have the fullest possible opportunity to thoroughly discuss the measures that will be brought before the house. The hon. member for Laurier, speaking for the official opposition, has taken a very strong stand on this.

I am not going to be put in the position of having a vote forced on the house and thereby the opposition take the stand that if it had not come to a vote things might have been different. The C.C.F. group are prepared to support this; the official opposition are not.

In the circumstances, therefore, I am going to suggest that we might possibly come to an agreement whereby in this motion, if the Leader of the Opposition and the hon. member for Assiniboia would agree, we might alter the date from June 3 to June 10, thereby enabling both sides to get together; because I can assure you, Mr. Speaker, that I am not going to adopt the attitude that has been adopted in years past by which the majority in a matter such as this has been pitted against the opposition. I suggest an alternative in the spirit which was apparent in the remarks of the hon. member for Laurier.

By leave of the house I would ask, providing there is going to be support in that direction, that the amendment be made accordingly.

Mr. Pearson: Mr. Speaker, seeing that the Prime Minister has suggested that the motion might be changed, perhaps I can say an additional word. The suggestion made by the Prime Minister is that the date of the motion should be postponed from June 3 to June 10. In the circumstances, Mr. Speaker, this seems to me a reasonable compromise between the two points of view that were put forward this afternoon. I would ask the Prime Minister, in stating our agreement with this change, that everything possible be done to ensure that committee work should not be of a type and held at times which would make it impossible for members on this side to do their whole duty in the House of Commons itself. I mention that to the Prime Minister because he himself mentioned it this afternoon. I know it is in his mind. Perhaps I should also add that we are assuming, Mr. Speaker, that the Prime Minister is not proposing to bring in additional legislation at this stage.

Mr. Diefenbaker: I want to be clear on this. I have not anything in mind nor has any member of the government; but the hon. gentleman knows from his experience in the cabinet that there are occasions when matters arise which require attention. Should such a matter or matters arise they will be kept to a minimum, but I know of none at the moment that could arise. I would not expect that anyone would suggest that there is a complete undertaking that those eventualities should not be taken cognizance of today.

Mr. Pearson: Mr. Speaker, I quite understand there may be an emergency which will require legislation. I would not try to suggest to the Prime Minister that that might not happen. All I am doing is mentioning those two difficulties. Having mentioned them, I am quite willing to tell the Prime Minister that as far as we are concerned the change he has suggested in this motion is satisfactory.

[Mr. Diefenbaker.]

Mr. Argue: Mr. Speaker,—

Mr. Speaker: Just to make sure where we stand, I understand the hon. member is speaking to the proposed change from June 3 to June 10, before I ask the house for its unanimous consent.

Mr. Argue: Mr. Speaker, we are prepared to accept this compromise suggested by the Prime Minister. I think it is a good move by the Prime Minister, since apparently it is obtaining the acceptance of the official opposition. We would like to urge two things; one, all legislation that the government intends to introduce at this time should be put before parliament immediately; two, there should be no move within the next week, until at least June 10, to provide that any further committees of the house in fact sit while the house is sitting. If we can have this further period when no additional committees are meeting while the house is sitting and have a chance to see all the proposed legislation as soon as possible, we think these things will expedite the business of the house.

Mr. Speaker: Will the house give unanimous consent to the substitution of the figure "10" for the figure "3" as it stands in the motion now, so the motion will read, "That on Wednesday, June 10" instead of "June 3"?

Mr. Diefenbaker: So that there will be no misunderstanding I would like, if I may, with the consent of the house, to say this. If I understood him right the Leader of the Opposition asked that an undertaking be given that no legislation except any that is now on the order paper shall be introduced. That was not my undertaking. None additional to that referred to six weeks ago by myself, except under the circumstances mentioned, will be introduced.

Mr. Caron: What about committees?

Motion as amended agreed to.

(Translation):

INQUIRY AS TO AMENDMENTS TO FARM LOAN ACT

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I have a supplementary question to ask the Minister of Agriculture. There is in the speech from the throne a very interesting passage that has long held farmers' attention. It reads as follows:

> You will also be invited to make a comprehensive review and revision of the legislation concerning farm credit, in order that credit may be more effective in assisting in the development and maintenance of an efficient and prosperous agriculture.

Can the minister inform us if he intends to introduce amendments to the Canadian Farm Loan Act at this session?

An hon. Member: Why didn't you people do it at the time?

(Text):

Mr. Harkness: Mr. Speaker, if I understood the hon. member correctly I think he asked about the improved farm credit scheme which it was predicted in the speech from the throne would be introduced at this session. That will be introduced.

AIRPORTS

DORVAL—REPORTED FEDERAL RESPONSIBILITY FOR DELAY IN CONSTRUCTION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport and ask him whether he is aware of the statement which is reported in the morning's press by the Montreal tourist and convention bureau, which is a very strong organization in the city of Montreal, concerning the airport at Dorval, in which it is said that the federal government alone is responsible for the delay in finishing the new terminal building at Montreal. The report goes on also to state:

> Transport Minister Hees has made many statements indicating full speed ahead on the project, while actually there is no speed at all.

Has the minister seen this report, and would he care to comment on it?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker, I read it this morning. I can only again say to the hon. member for Laurier that the work on the Dorval airport terminal building is proceeding with all speed. It is expected that it will be completed next year and, as I pointed out, it is going ahead at a much faster pace than was the case when we took over two years ago.

Mr. Chevrier: May I ask a supplementary question, having regard to the last part of the minister's statement. Does the minister realize that this report of the Montreal tourist bureau is confirmed by a Gallup poll taken in the province of Quebec, which indicates that the position of his own party has dropped by 21 percentage points in the last seven months?

Mr. Speaker: Order. The hon. member is taking advantage of the opportunity presented for the purpose of asking questions.

Inquiries of the Ministry

AIR TRANSPORT

GANDER—STATEMENT ON REPORTED IMPOSITION OF FINES ON AIR LINES

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, yesterday the hon. member for Laurier directed a question to my colleague the Minister of Transport, relating to fines levied against two air lines at Gander for infraction of the quarantine regulations. This matter comes within my jurisdiction and I feel that my department's position should be made clear.

I can appreciate the air lines' desire to have their passengers go through quarantine inspection as quickly as possible, but for the protection of the public adequate arrangements must be made. The procedure adopted now that the new terminal is operating has not been criticized by most of the air lines and, in fact, is essentially the same as at major airports all over the world.

Difficulties centre around the refusal of pilots of certain air lines to arrange to have their passengers escorted into the terminal for clearance and customs by the route provided. This is their responsibility, and by their failure to co-operate they have caused a great deal of confusion for their own passengers and others using the terminal. Infractions were repeatedly pointed out by my officers, and as no improvement was forthcoming fines were levied against two air line companies.

I trust that as airport routine settles down, following the problems that were only to be expected with the start of operations in the new building, the air lines will be able to organize a more effective procedure.

[Later:]

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, may I address a question to the Minister of National Health and Welfare arising out of the statement he made earlier. Since the former practice of having a nurse board the plane and check passengers' vaccination certificates appears to be more acceptable to the air lines, is there any good reason why that practice should not be continued and, if not, would the minister give consideration to having this procedure reinstated?

Mr. Monteith (Perth): Mr. Speaker, I would be very happy to look into the suggestion of the hon. member, but I would point out that the procedure now being followed at Gander is the same procedure that is followed at all other international airports.

Inquiries of the Ministry

FINANCE

CAPE BRETON—REPOSSESSION OF HOUSEHOLD ESSENTIALS BY LOAN COMPANIES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Finance arising out of a telegram I have received from Mr. William Marsh, president, district 26, united mine workers of America, Glace Bay, in which he states that finance companies in Cape Breton are repossessing household essentials such as kitchen stoves, bedroom suites, etc., and that affected miners will be unable to return to work when work is available. Would the minister be prepared to have the superintendent of insurance investigate this deplorable situation, or take other appropriate action?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, it is very difficult to give a clear answer to an inquiry of this kind. We have not been furnished with the names of the companies, or any information whatever. These may possibly be companies that are under provincial rather than federal jurisdiction; but if we were furnished with adequate information we would certainly be glad to give the matter prompt attention.

Mr. Argue: I thank the minister for his statement. I shall endeavour to procure the information he has requested.

STATEMENT ON LOANS TO UNEMPLOYMENT INSURANCE COMMISSION

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): On May 29, Mr. Speaker, on page 4146 of *Hansard,* the hon. member for Essex East is reported as asking me a question concerning the total loans then outstanding by the Minister of Finance to the unemployment insurance commission. Offhand, I indicated that the amount was "around $75 million". On May 14, at page 3645 of *Hansard,* I had given the details of the loans up to that date. Since that time there have been two additional loans, one on May 19 for $10 million and one on May 27 for $7 million. The total outstanding is, therefore, $72 million.

POLYMER CORPORATION

INQUIRY AS TO STRIKE SITUATION

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Labour if he can tell us whether or not Mr. Taylor, the conciliator, has returned to the dispute at the Polymer Corporation, and whether the minister has any report to make as to the progress of his work and of the negotiations with respect to this strike, involving so many men who have been out of work for such a long time.

Mr. Murphy: You are worried a lot about that.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I was informed last week that Mr. Taylor had to leave the negotiation table for a few days in order to make a necessary trip to the west. I was also told that he would be back early this week. In answering a question last week I assumed that he would be back yesterday. However, I am told that he did not return as expected, but is probably there now. I have no further report on the progress that has been made, except to say that the talks that have been held up to now have shown progress.

(Translation):

AGRICULTURE

DEFICIENCY PAYMENTS TO PRODUCERS SELLING TO CO-OPERATIVES

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In view of various statements made by the minister indicating an attempt to change his policy on agricultural stabilization prices by substituting thereto deficiency payments made directly to farmers, as was done in the case of milk, hogs and eggs, could the minister inform the house if farmers who enter into contracts with co-operatives will be eligible for deficiency payments?

(Text):

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I am not sure that I am clear as to what is behind the hon. member's question but certainly the deficiency payments we are going to make with respect to pork and eggs will be paid directly to the producer. If he is selling his products through a co-operative I think he will be in exactly the same position as though he were selling his products through an ordinary commercial concern.

GRAIN

REPORTED DROP IN EXPORT SHIPMENTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the minister now made further inquiries to corroborate, or otherwise, his statement yesterday that Canadian exports have not fallen since the opening of navigation? Would the

minister care to comment on the statistics in the weekly board of grain commissioners report which show that from April 22 up to May 20 exports this year are just 15.9 million bushels compared with 25.1 million bushels last year?

Mr. Speaker: Order. I am not sure whether the hon. member is seeking information or attempting to give it. If there was a question sandwiched between the two bits of information perhaps the minister would like to reply to it.

Hon. Gordon Churchill (Minister of Trade and Commerce): I will give a direct answer without any sandwich, Mr. Speaker.

Mr. Argue: Don't make it the boloney in the sandwich.

Mr. Fulton: You have supplied that.

An hon. Member: You had better talk about wheat, boy.

Mr. Churchill: I hope the remark of the Minister of Justice got on *Hansard*. It may well be that exports of wheat during the month of April have been slightly lower than a year ago, but as I pointed out yesterday total export of wheat for the crop year up to the end of May is running just 9 million bushels below a year ago, and that still gives us an opportunity to reach our target of 300 million bushels, because we exceeded it last year by 16 million bushels.

Mr. Argue: Can the minister say whether he anticipates an improvement in Canada's export position in the weeks ahead from a drop of almost 40 per cent as compared with last year?

Mr. Churchill: We cannot accept any statement that there was a drop of 40 per cent.

Mr. Argue: Since the opening of navigation.

Mr. Churchill: You do not look at these things week by week or anything like that. You take a long range view, which is unfamiliar to my hon. friend. The export position of Canada is very good all round, including wheat, and the prospects are very good for maintaining the record we established last year.

NATIONAL DEFENCE

REPORTED COMMENT ON PURCHASE OF WEAPONS SYSTEMS IN U.S.

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Has the minister seen the statement by United States defence secretary Neil McElroy before the United States House of Representatives appropriations committee that Canadian defence industry has been adversely affected by the government's decision to buy complete weapons systems from the United States?

Hon. G. R. Pearkes (Minister of National Defence): No, Mr. Speaker, I have not seen that statement.

Mr. Hellyer: May I ask a supplementary question. Does the minister have officials of his department who follow closely the proceedings of these United States committees?

Mr. Pearkes: We have officers in the United States who observe the departments of the United States government.

FEDERAL-MUNICIPAL CONFERENCE

REQUEST FOR ANNOUNCEMENT IN HOUSE OF MEETING

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Prime Minister, who is about to leave for the mayor's conference and who takes with him our good wishes for a safe flight to North Bay, if in the event that he intends in his speech tonight to accept the proposal of the municipalities assembled there that there should be called at once a conference of the provinces and municipalities, would the Prime Minister not consider it desirable to make that announcement in this house before he leaves?

Mr. Speaker: The hon. member has constructed an edifice of hypotheses on which to ask his question or perhaps to give an admonition, I am not sure which.

Mr. Martin (Essex East): No, Mr. Speaker; does the Prime Minister intend to make such an announcement tonight?

Right Hon. J. G. Diefenbaker (Prime Minister): The Prime Minister has always tried to assure that any announcements on matters of relevance to the house be made to the house.

TRANSPORT

GREAT SLAVE LAKE—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION OF RAILWAY

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): I wish to direct a question to the Prime Minister. I wonder if the Prime Minister could answer the question I asked yesterday in regard to the Pine Point railway and the announcement made by the minister for northern affairs in the Powell River *Digester* to the effect that the government had decided to extend the railway?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): I asked for the particular journal to which the hon. gentleman alluded. I believe it is on my desk, and after perusal I will make a statement.

EXTERNAL AFFAIRS

NATO—CONCURRENCE OF QUEBEC CONSERVATIVE MEMBERS IN GIFT OF FLOUR

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I ask a question of the Prime Minister. In view of the fact that Canada has made a gift of $10 million worth of flour to NATO, could he inform the house whether the Conservative members from Quebec were consulted and if they agreed to that gift of $10 million?

DOMINION-PROVINCIAL RELATIONS

NEWFOUNDLAND—INQUIRY AS TO LEGISLATION RESPECTING TERMS OF UNION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Prime Minister whether he could tell the house how soon the government expects to be in a position to introduce the legislation to implement the terms of union with Newfoundland.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, all of the legislative program, including the item in question, will certainly be before the house whenever the house is in a position to consider it. I would suggest to the hon. gentleman that if each piece of legislation takes the number of days that the energy board bill has taken, then I am unable to predict how far in the future it will be before the legislation in question will be before the house.

Mr. Pickersgill: May I ask a supplementary question. Does the Prime Minister realize that until the payments are made under that legislation very serious interest charges are being made upon the taxpayers of Newfoundland?

Mr. Diefenbaker: I can only repeat what I said a moment ago. This legislation before the house has taken a very long time, but I have no complaint whatever. I am in such agreeable good humour that the house can take all the time possible, but the hon. gentleman is the last who should complain about certain favourite pieces of legislation he has in mind.

Mr. Pickersgill: On a question of privilege, Mr. Speaker; I was not complaining at all, I was asking a simple and respectful question of the Prime Minister. I do not believe he is called upon to lecture any hon. member.

Mr. Speaker: The hon. member has no question of privilege.

Mr. G. J. McIlraith (Ottawa West): Since the Prime Minister is in such agreeable good humour, as he indicated a moment ago, would he consider giving the subsequent legislation that is to come before parliament first reading some days before he proposes bringing it on for second reading, so that we might have an opportunity to read and consider the bills before they are brought up for second reading?

Mr. Diefenbaker: That is the course of action this government always follows.

Mr. McIlraith: Except on the energy bill.

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

The house resumed from Monday, June 1, consideration in committee of Bill No. C-49, to provide for the establishment of a national energy board—Mr. Churchill—Mr. Sevigny in the chair.

On clause 85—*Regulations.*

Mr. McIlraith: I believe there is an amendment before the Chair.

Mr. Churchill: Mr. Chairman, I should like to speak to the amendment which is before the committee to clause 85, subclause 2. In the discussion of this clause, which is an exemption clause, yesterday the hon. member for Essex East said this, as reported at page 4229 of *Hansard,* when he was criticizing what he called a far-reaching clause:

> Yet this present government, with less than two years in office, comes to parliament and puts before us a clause like this, the like of which perhaps no government in the history of Canada has ever tried to put before parliament.

I should like to draw attention to the fact that this type of exemption clause is not unfamiliar to the House of Commons. In 1955, when the hon. member for Essex East was a member of the government of that day, a meat inspection act was before the house; it is chapter 36 of the statutes of 1955. In it under the heading of "Regulations" there was a section, namely section 5, which reads in part as follows:

> 5. The governor in council may make regulations for carrying out the purposes and provisions of this act, and without limiting the generality of the foregoing, may make regulations—

Then I read subparagraph (g) which is as follows:

(g) for exempting any person or meat product from the operation of all or any of the provisions of this act—

According to the argument of my hon. friend last night this destroys the act in whole. Then in the same year—

Mr. Martin (Essex East): What was the chapter?

Mr. Churchill: That was chapter 36 of the statutes of 1955. Then I have another reference for my hon. friend. It is chapter 47 in the same book of statutes, which is the International River Improvements Act. Section 3 of that act, dealing with regulations, reads as follows:

3. The governor in council may, for the purpose of developing and utilizing the water resources of Canada in the national interest, make regulations—

Then I read subparagraph (d) which is as follows:

(d) excepting any international river improvements from the operation of this act.

In the hon. member's argument that means that the act is destroyed by that exemption.

Then just to refresh his memory further may I draw attention to an act which, when I mention it, will perhaps stimulate his memory. I refer to the Food and Drugs Act, being chapter 38 of the statutes of Canada, 1952-53, introduced into this house by the then minister of national health and welfare, our genial friend the hon. member for Essex East. As he piloted that bill through the house he came across, under the heading "Regulations", section 24, which reads as follows:

24. (1) The governor in council may make regulations for carrying the purposes and provisions of this act into effect, and, in particular, but not so as to restrict the generality of the foregoing, may make regulations—

Then I go to paragraph (j):

(j) exempting any food, drug, cosmetic or device from all or any of the provisions of this act and prescribing the conditions of such exemption;—

That bill was introduced into and passed by the House of Commons under the direction of the hon. member for Essex East, who now tells us that never before had a clause such as that which we have in this bill been put before the House of Commons. He himself put similar clauses before the House of Commons and they were passed by the house.

Then in the course of his argument the hon. member talked about the regulations. I dealt with that matter last night, but for the purpose of clarity may I repeat that the regulations by law, under the Regulations Act, must be printed in the *Canada Gazette* and subsequently tabled in the House of Commons, a fact of which the hon. member was quite aware. When the debate was taking place on April 21, 1953, on the Food and Drugs Act, when the question was asked him about the regulations, as reported at page 4150 of *Hansard* he replied as follows—

Mr. Martin (Essex East): Would my hon. friend just help me by giving me the chapter of the Food and Drugs Act?

Mr. Churchill: I beg the hon. member's pardon.

Mr. Martin (Essex East): Would my hon. friend be kind enough to remind me of the chapter?

Mr. Churchill: Your famous act.

Mr. Martin (Essex East): The Food and Drugs Act. What chapter?

Mr. Churchill: Chapter 38 of the statutes of 1952-53. I am referring now to *Hansard* of April 21, 1953, when this Food and Drugs Act was under discussion and when the regulations were being dealt with, as reported at page 4150, where I read as follows:

Mr. Martin: The regulations are not in the bill. The regulations are contained in a very thick document which I table every year.

Mr. Martin (Essex East): That is it. I tabled it every year.

Mr. Churchill: The regulations under any bill, if new, are tabled following their publication in the gazette.

I thought I should make that matter clear in order that those who are unfamiliar with the regulations may be aware of the situation. I realize that the hon. member for Essex East last night in the course of his remarks became a little bit carried away.

However, with regard to the amendment before the house may I say this. Considering the debate we have had on clause 85(2), we had earlier considered placing that subclause under clause 87, to which it applies more strictly. In the course of my remarks last night I indicated that this subclause 2 would become operative if and when parliament approved the following clause 87, and that subclause 2 had application largely to oil and matters pertaining thereto and not to gas. Consequently, in view of that situation I am suggesting that the amendment now proposed be accepted, namely that this subclause 2 be struck out.

But I want to go further and say to hon. members of the committee, so there will be no confusion, that when we come to clause 87 my colleague will move an amendment in somewhat different phraseology dealing with substantially the same exemptions. When

that amendment is moved to clause 87 the hon. member who has moved the present amendment, which is to strike out the new one, of course is at liberty to move a further amendment. But as the situation stands at the moment we are prepared to accept the present amendment now before the committee to strike out subclause 2 of clause 85.

In order to save time and trouble, with the consent of the committee I would suggest that the following words be added to that amendment, or at least that the amendment might read in this way:

That clause 85 be amended by striking out "(1)" after the figure "85" in line 34 on page 24 and striking out subclause (2) thereof on page 25.

Mr. Argue: As the person who moved the original amendment I wish to thank the minister for the consideration the government has given to our contention that this paragraph should be deleted. We are extremely happy that the government is so moving. We shall take a look at the proposed amendment to clause 87 of the bill when we reach it. We feel—and I repeat what I have said before—that far too often throughout this bill the governor in council has maintained a power of veto, a power to set aside any regulations or any decisions of the board and to substitute therefor decisions and regulations of the cabinet.

We think that in general this is a bad procedure. Anything that will reduce the power of the cabinet to make a plaything of the board is most acceptable to us. Of course we shall have to see to what extent the government recovers this power when their proposed amendment to clause 87 is before the committee.

Mr. Martin (Essex East): Mr. Chairman, I am sure my hon. friend recognizes from what has been said already what satisfaction we derive from his acceptance of the argument we made last night. I can only say that what the minister has done now is consistent with what he called, as far as I am concerned, an argument with which I was carried away. However, that argument, along with observations made by others, has obviously had the kind of effect which we thought in the circumstances it should have on the Minister of Trade and Commerce.

Reference was made to the Food and Drugs Act and to the section—section 16, I presume —where the board is given power subject to the approval of the governor in council to make regulations. I am afraid the minister can hardly consider the Food and Drugs Act and what was done under section 16 as in any way a parallel to the complaint registered last night by me. In any event, assuming that my hon. friend's argument was correct, and assuming I had been guilty of the very act I complained about last night, this would not of course in any way preclude me from taking the position I am taking now, any more than it precluded the hon. gentleman from taking a particular position in 1955 in connection with one of the many debates to which he made reference a few moments ago.

I have had the opportunity since we met last night of reading not only the observations of some of my hon. friend's colleagues in that debate, but more particularly the words of the Minister of Trade and Commerce when he sat on this side as a private member of this house. In comparing what he said on that occasion with what I said last night I note a similarity of theme. But I congratulate the minister because he spoke about that theme much better, and I am sure with even greater force and fervour, than I did last night.

In any event, perhaps I may recall his words to him, because I realize his preoccupation with this bill and with other matters, and he has not had an opportunity of rereading his words. I think at a time like this where we are discussing such an important measure the minister would want to be reminded of words which my humble researches have disclosed. At page 4688 of *Hansard* for June 13, 1955, almost at the top of the page I find these words of the Minister of Trade and Commerce. They apply forcefully at the present time because we have so many new members in this house. The minister said:

I think it is incumbent upon the senior members of the house to be the foremost to defend the parliamentary system, to exercise moderation with respect to any suggested changes, and to restrain newcomers to the house when they appear to be impatient with the parliamentary system.

That was very good advice in 1955, and undoubtedly last night I was suffering somewhat from an impatience to see that our parliamentary system was not in any way violated.

Mr. Lambert: You were making floss candy last night.

Mr. Martin (Essex East): What was that?

Mr. Lambert: I said you were making floss candy last night.

Mr. Martin (Essex East): I have not heard what my hon. friend said, but I am sure it will bear waiting and I will read it in *Hansard* tomorrow. Further down on the same page the minister said:

Actually he is attempting to reverse the process. Normally ministers come to parliament and ask for extension of their powers or for special powers for

special purposes and parliament examines the situation, makes the grant of power and withdraws it when the crisis has subsided.

There is another quotation, but I will not put it on the record at this time as there may be some opportunity later on, unless my hon. friend finds it desirable to take the proper course which he has just announced.

Before I take my seat I can only say to my hon. friend that I have no doubt that the value of discussion, the value of persuasion and debate, has had its effect today as a result of the insistent position taken by members of the opposition last night, who looked upon this particular subclause 2 in clause 85 as one that violated our concept of what was the proper relationship between the executive and parliament. That my hon. friend has accepted our proposal is, I say, the best demonstration one could have of the value of parliament and of the opportunity of continued free discussion, and of the recognition by the executive of its obligation and its traditional constitutional relationship to parliament itself.

The Deputy Chairman: Has the hon. member for Assiniboia the unanimous consent of the committee to change his amendment to read as follows: Mr. Argue moves:

That clause 85 be amended by striking out "(1)" after the figure "85" in line 34 on page 24 and striking out subclause (2) thereof on page 25.

Some hon. Members: Agreed.

Mr. Regier: Mr. Chairman, I also want to express my pleasure at the agreement of the minister to the amendment. As I indicated yesterday, the people in the lower mainland of British Columbia have been very much concerned for some considerable time now at the realization that natural gas was being exported and supplied to United States wholesalers at a lower price than was being charged for the same product to our own British Columbia consumers. Representations were made to the royal commission on energy, and the royal commission has roundly condemned the practice of the Westcoast Transmission Company.

In the bill as it was originally before us authority was being granted to the energy board to consider and determine the price to be charged by an applicant for gas or power exported by him, and the energy board had the responsibility of assuring itself that the price to be charged by an applicant for any natural gas to be exported was reasonable in relation to the public interest. What we were afraid of was that the cabinet would have the authority to grant an exemption to such a company as the Westcoast Transmission Company, and we are now very happy to note that the cabinet does not want the authority to grant such an exemption.

As consumers of natural gas in the lower mainland of British Columbia our responsibility now is to present to the national energy board the same arguments that were presented to the Borden commission, and we hope the national energy board will realize, as did the Borden commission, that the supplying of our natural heritage to those outside our borders at a lower cost than that charged our own people is not in the public interest. We are now assured that once we can show the energy board that Canadians should not pay any more for their natural heritage than outsiders, the cabinet will not interfere by allowing an exemption to such a corporation as the Westcoast Transmission Company.

I note that the minister, in agreeing to the removal of this right of the governor in council, is intending to add something to clause 87. We shall have to look at this very closely when we come to that stage because there have been instances where Trans Mountain Oil Pipe Line Company Limited has sold oil to refineries in Washington for less money than has been charged our own refineries in Burnaby. We feel that if at all possible a situation of that kind ought to be avoided as well.

Mr. Pickersgill: Mr. Chairman, I have one question to put to the minister. Can the minister assure the committee that if this amendment is adopted there will be no way in which any gas or electricity exporters can be exempted by order in council under any other provisions of the bill?

Mr. Churchill: Mr. Chairman, I believe this question should be deferred until we reach clause 87 when I will suggest a new amendment. If the hon. member would raise his question then I believe we could answer it.

Mr. Pickersgill: I cannot have made my question clear in that case, Mr. Chairman. Without regard to what there may be in clause 87, which after all refers exclusively to oil, my question did not relate to oil but to exports of gas and electricity. I just wanted to be assured that once this amendment was adopted there was no other provision anywhere in the bill as it now stands that would permit the governor in council—I am not saying the board but the governor in council —to exempt any exporter of gas or electricity from the requirements of part VI of the bill.

Mr. Churchill: I misunderstood the hon. member. It is quite true that clause 87 will refer specifically to oil. The question was

under what circumstances might an exemption be allowed in view of the fact that we are striking out this exemption clause in subclause 2.

It is difficult to say categorically that there will be no exemption of some sort or other in the future and I believe clause 81 would be the governing clause in case it seemed advisable to make some exemption. That would have to be stated in the regulations which would be published in the *Canada Gazette* and tabled in the House of Commons and everyone would know exactly what was being undertaken. I could not say at this stage that something in the way of an exemption might not be permitted depending on the circumstances.

Mr. Pickersgill: I am sure that the minister would agree that the governor in council cannot make regulations that will have any legal effect unless they have a legislative foundation. That is to say there must be something in the bill that empowers the governor in council. What I am asking the minister is if there is anything anywhere in this bill that will, once we adopt this amendment, give the governor in council power in any circumstances to make exemptions so far as gas and electricity are concerned from part VI of the bill and, if so, what are they?

Mr. Churchill: Mr. Chairman, elsewhere in the bill there is no exemption. There are certain restrictions which might occur under clauses 81 and 82 when licences are issued.

Mr. Pickersgill: What is the nature of what the minister has in mind? I am afraid I do not understand what he has in mind.

Mr. Churchill: We could give an example of that. I refer to the case of an emergency. Not very long ago a breakdown in a supply line occurred and an emergency import permit had to be granted to bring gas in from the United States until a cleaning station was repaired. That importation of gas occurred over a period of just a few days. An emergency like that is what I had in mind where you have to do things rather quickly but there is no other exemption clause in the bill.

Mr. Pickersgill: Even in an emergency of that sort there would have to be some kind of legal authority to permit action to be taken. I would apprehend that the legal authority would be the board.

Let me put my question in another way. Is there any provision anywhere in the bill whereby the governor in council can dispense with the board in so far as the exports or imports of gas and electricity are concerned?

[Mr. Churchill.]

Mr. Churchill: The answer to that is no, Mr. Chairman.

Amendment agreed to.

The Chairman: Shall the clause as amended carry?

Mr. McIlraith: There is another point in connection with this clause that I want to raise. Perhaps I should read the relevant part of the clause before making my argument. The clause now reads:

> The governor in council may make regulations for carrying into effect the purposes and provisions of this part and, without restricting the generality of the foregoing, may make regulations respecting (b) the duration of licences, not exceeding 25 years, the quantities that may be exported or imported under licences and any other terms or conditions to which licences may be subject.

The point I want to deal with is that under the existing legislation it has been the practice to limit the duration of licences for the export of electricity to one year. I believe that to be a fact. Of course, permits for the exportation of gas are not limited as to time, as I understand it, or at least they do not terminate after a year. There may be some correction in that regard but that is my understanding of the present method of issuing export licences.

With respect to gas, however, because of the nature of the product and in order to finance the enterprise and indeed to have the type of contract we want entered into it is probably necessary that an export permit be for a longer duration than one year. But as to electricity, I am somewhat concerned with granting the power to grant licences for a longer period at one time than one year.

As was clearly illustrated in the discussion last night on another clause by the Minister of Northern Affairs and National Resources, the electric power that is usually exported is surplus power. I can see no consideration that would arise that would demand that licences for the export of electrical energy be for a longer period than one year. Indeed, with respect to electric power there is a danger of having electricity exported from Canada which we should be using as a basis for our own development, instead of merely exporting the surplus which by the nature of the product is not likely to be nearly as extensive as in the case of gas.

The export permit for electricity is incidental to the development and operation of the plant for the use of Canadians whereas the export of gas in certain areas may be a major undertaking in its own right, the rights and interests of Canadians having been protected through other means by gas supplied from other areas.

One way to assure development of Canadian industry of course, is the permit for the export of such gas, bearing in mind that the protection of the Canadian interest is assured by supply from other areas, but no such case or argument exists when we are dealing with hydroelectric energy. I therefore propose moving an amendment to provide for the limitation of the electricity export permit to one year. Before doing so, I want to know whether the minister has any real case to make for the change in the practice with respect to the export of electrical energy?

Mr. Churchill: Mr. Chairman, I think it is well that the hon. member for Ottawa West has raised this question because it is an important one. He is quite right. For many years now electrical power exports have been on the basis of annual export licences. I anticipate that that will be the case with regard to most of our hydroelectric stations in Canada where surplus power goes across the border. At the present time in quantity it is very limited. Six per cent of the total amount of hydroelectric power produced in Canada is exported, and exported on the basis of an annual licence. But there are two developments which are likely to take place in the future which might change that picture. I think there would be a great reluctance on the part of the energy board to grant a licence for more than the present arrangement of one year unless some very large development of electric power took place, as could happen out in western Canada. The negotiations taking place now with regard to the Columbia river is a case in point. There might be an arrangement between the two countries where in exchange for some advantage to Canada electrical power produced on that great river system might be exported to the United States on a licence basis longer than one year.

The second development which might take place in the future is in thermal power plants which might, using coal in Alberta, in British Columbia or in other provinces in Canada, produce electricity for export beyond the requirements in Canada. These are two things which might influence the energy board to grant licences longer than on a one-year basis. Then, in connection with either of the two possibilities that I have mentioned, for financing purposes a guarantee extending over a 20 or 25-year period of export of electricity might be necessary if the company were to become operative. That is the reason for not making the section here restrictive in so far as hydroelectric power is concerned.

Mr. McIlraith: Mr. Chairman, I thank the minister for his statement on this point. It seems to me that there is such a great danger of the hydroelectric power being alienated from the use of Canada through the grant of a long term export licence that we should have some restriction on it. The two examples the minister gave in asking for this authority for the board are examples that, while they are of a major nature are not affected by this provision. I would point out to him that the hydroelectric power from the Columbia river is not sufficiently developed to warrant us granting the permission now, and I am going to suggest that if the need arises there for a long term permit the government can come back to parliament and ask that that subject be dealt with specially. The same thing would apply to coal. If there is electricity developed from coal and the requirement, in order to finance such a development, is for a longer term permit, it is a subject matter that should come back for discussion in parliament. Both of these examples are of such a nature that they require discussion in parliament.

For some 50 years now parliament has been very jealous to retain control over the export of hydroelectric energy, and I think the debates over the years show the correctness of that position. It has been a position maintained by all governments. I therefore suggest that this clause should be amended and I accordingly move the following amendment:

That clause 85, subclause 1(b) be amended by adding after the words "twenty-five years" the words "for hydrocarbons and not exceeding one year for power".

This will, I think, accomplish the objective I have sought to indicate we consider necessary. It seems to me it is desirable and the subject of the export of power is so important that it should not be given away to this board, and that if the necessity arises in the future for a longer export licence than the one year, the matter should come back to parliament.

Mr. Herridge: Mr. Chairman, I represent a constituency which is particularly interested in the development of the water resources of the Columbia. I was very interested in the minister's remarks and also in the remarks of the hon. member for Ottawa West. As the minister no doubt knows, the Consolidated Mining and Smelting Company has for some years sought a licence to export some 75,000 kilowatts to the United States. That licence has been refused because the whole question is related to the proper settlement of all issues surrounding the development of the hydro resources of the Columbia on a basis of equity between Canada and the United States. What interests me particularly is

this. If this bill is passed and if the clause is carried as it is printed in the bill, would the national energy board have the right or the power to grant such a licence even for a period of one year? No one today has even thought it wise, under the particular circumstances that exist on the Columbia river, to grant a licence for even one year. Would this national energy board have the right to issue a licence for such export for a period of one year? If so, will the minister explain what would be the procedures in this respect? Is there any relationship in the administration of this legislation between the national energy board and the international joint commission and, of course, the government of the day in question? This is a very important aspect of this legislation. I oppose the amendment.

Mr. Pickersgill: Mr. Chairman, I should like to say a few words in support to the amendment moved by the hon. member for Ottawa West. Perhaps the Minister of Public Works will recall that just about the time I first came to Ottawa—it was not long after he first came to Ottawa—this was a most lively issue in politics, and it had repercussions that are still not forgotten in some parts of the country. From the time that the parent act of the electricity and fluid exportation act was first enacted in 1907—that is over 50 years ago, as the hon. member said—parliament has been very jealous and all governments have been very jealous of the right to export electric power. The legislation gave the power to the governor in council and—I anticipate that the Minister of Public Works or the Minister of Trade and Commerce might remind me of that, and I know it to be true—every government bound itself by a self-denying ordinance not to grant these licences for more than one year at a time. I know that the Gordon commission did suggest that circumstances might well arise when power could, in the national interest, be exported for a longer period but it does not seem to me that we should make a change in general legislation of this sort in a lighthearted way and that we should wait until an actual situation arises.

This matter is of compelling importance to this country because hydroelectric energy is one respect in which we really have a competitive advantage over the United States. I am trying to be as moderate and persuasive as possible about this but it does seem to me that the government should accept the amendment, make formal what has been the practice up to now and remove any temptations that there might be to any future government to take hasty action which might commit the country and be a source of very great regret in the future.

Mr. Green: Mr. Chairman, ordinarily I would not take part in the discussion of this bill as it is being put through the house by the Minister of Trade and Commerce. However, the amendment raises a point which is of vital importance to the province of British Columbia and if it should carry it might be disastrous to that province. The position at the moment with regard to the Columbia is that after many years of wrangling and of impossibility of getting within any distance at all of agreement with the United States concerning the development of power on the Columbia river we have now been able to make great strides.

Hon. members will remember that in December of last year I made a statement as acting prime minister concerning the possibility of reaching agreement with the United States, and in that statement it was suggested that the international joint commission should be given the task of working out the details of an agreement for the payment of downstream benefits arising out of power developed on that river. The United States government agreed to this suggestion and for some months now the commission has been working very well in the direction of reaching an agreement on the payment of downstream benefits.

Not only has there been co-operation between Canada and the United States but there has also been excellent co-operation between the federal government and the provincial government. A policy committee has been established on the ministerial level between the two governments. That committee met in Ottawa some weeks ago and it met again in Victoria on Friday last. The two federal ministers on that committee are the Minister of Northern Affairs and National Resources and myself. Unfortunately I was unable to go west for the last meeting. But they had another good meeting at which the ministers and officials of both governments co-operated in a splendid spirit to work out the proposals that should be submitted on behalf of Canada to the international joint commission. I believe there has been a meeting of the international joint commission within the last two or three days. I believe they met in New York on May 31.

Fundamental in this whole question is that Canada shall get back power produced in the United States as downstream benefits for the storage of water upstream on the Columbia river in British Columbia. This is where the cheapest power will come from. I would say that power cannot be produced in any other

way anywhere on the North American continent that will compete with it as to price. What position are we going to be in if we write into our statute that Canada can give an export permit only for one year and yet we are expecting to get power back from the United States by way of downstream benefits? They will write into their law just as tight a restriction as we write into our law and this very provision, if it should be accepted by the house, might very well be taken by the United States authorities as being an attempt to hamper negotiations or to cut down on the terms of any agreement. That is a position in which Canada simply cannot afford to be put.

This is the biggest development that has ever been possible in the province of British Columbia. It is a huge development which will involve the expenditure of perhaps a billion dollars in Canada when all of the projects have been installed. But the very foundation on which this development rests is downstream benefits from the plants on the Columbia in the United States of America, and I do suggest that to put in an amendment of this kind would be most unwise.

Furthermore, this works both ways. There is a plant owned by the Consolidated Mining and Smelting Company on the Pend Oreille river, a tributary of the Columbia, just a few miles north of the border. Why they built that plant there I never could understand when there was such a prohibition against exporting power. There they have a large plant and there is a possibility of a big increase in the size of the plant. All the possible installations have not been made, and sooner or later some of that power will have to be exported to the United States. It is produced because of storage on the Pend Oreille river in the United States. That river rises in the United States and flows through Canada for a few miles. In those few miles this plant has been built, so that there you have exactly the opposite position to that which you find on the main stem of the river.

When all these projects on the Columbia are installed power may have to be exported from other Canadian plants, say at Mica creek. Should there be a big power project installed there I doubt whether all the power would be required in British Columbia at that time. Some of it might have to be exported to the United States for the time being.

The Conservative party is the last party in the country to want to adopt any policy which would be against Canada's interests in so far as dealings with the United States are concerned. The whole history of the party proves that, but in this case I submit it would be folly to adopt the amendment proposed by the hon. member for Ottawa West. I realize that he puts it forward with the best of motives, but he puts it forward without an understanding of the facts of life in 1959 in the western part of Canada.

Mr. McIlraith: That is a pretty strong statement.

Mr. Green: That is my belief. He simply does not understand how vital this is to those of us who happen to come from western Canada. I would hope that for the sake of merely doing something which was done in 1907 the committee would not see fit to adopt this amendment. Policies have to be changed as conditions change. This is a case where a change becomes necessary.

We have been very co-operative in dealing with the amendments put forward by the two parties in opposition. I think that they can see now that there is no evil intent behind this bill. We are trying to set up a national energy board which will be able to give leadership in the handling of these sources of energy in Canada. The clause which is now under review has been worded with that main objective always in mind. I do suggest to hon. members that the provisions of the clause as they now read are sensible provisions and should not be altered in the way suggested by the hon. member for Ottawa West.

Mr. McIlraith: I wonder if I might raise one question with the Minister of Public Works, as an easterner who does not agree that all the facts of life are within the exclusive purview of those who have the fortune to come from British Columbia. He will have noticed that I was careful to ask the Minister of Trade and Commerce if he had any special reason for changing the practice with respect to the exportation of power. He would have noticed that if he had been paying attention.

My question is this: I share his view as to the importance of the development of the Columbia river. I have, perhaps, some different opinions on one or two of the details concerning how it should be done, but as to its importance I quite share his view. According to my understanding, it is going to be necessary, when that development comes to the stage of being carried out, to come to the parliament of Canada for special legislation to authorize what will require to be done. If that is the case, I do not see why general legislation which has protected the interests of so much of this country and so many of its 17 million people should be changed for the sake of meeting that one case which is going to have to come before parliament in any event. If it is not going to have to come before parliament, I wish the minister would clarify the position of the government on that point. I have always

understood the Columbia river project would be the subject of legislation before this parliament. In any event, I am subject to correction on the point and I wish he would deal with that narrow point before we pursue the argument on the amendment.

Mr. Herridge: The members of this group take the strongest exception to this amendment. We support the arguments of the Minister of Public Works. It is not necessary for me to restate the situation because it was covered very fully, and from our point of view, exactly. In our opinion the acceptance of this amendment would be most disastrous in view of the great importance of the development of the Columbia to British Columbia and the country as a whole.

Mr. McIlraith: May I ask a question of the hon. member for Kootenay West?

Mr. Herridge: Certainly.

Mr. McIlraith: Does he believe the Columbia river project has to be brought before parliament before coming to the final stages of development?

Mr. Herridge: Mr. Chairman, that may be so, but when the giving of authority to a board to limit the export of power to a one year period is part of the statutes of Canada, representatives of another government or any persons negotiating with this government or the I.J.C. would have in mind the fixed period of one year, in the statute.

Mr. Chairman, I was saying that we have made such excellent progress in recent years by resuming negotiations for an equitable distribution between Canada and the United States of the benefits of the Columbia, and with the change in the atmosphere between the government of British Columbia and the government of Canada, all of us who are very interested in this question are most anxious that nothing is done to disturb the excellent progress on this question that has been made between Canada and the United States and the excellent relationship that has been developed in considering this question as between the government of Canada and the government of British Columbia. I suggest, Mr. Chairman, that this amendment was introduced by members of the Liberal party as a result of some ignorance of the importance of this question—

Mr. McIlraith: Your understanding is quite wrong.

Mr. Herridge: —and the relationship of it to the situation on the Columbia with which we are so concerned. I suppose this results from the fact that they have not any representatives from British Columbia to keep them informed of the matters that are of particular importance to British Columbia, and particularly the Columbia river. I suggest that if the former member for Coast-Capilano were in this house he would join with us in taking strong exception to the amendment proposed. I suggest we can understand that this amendment was proposed with the best of intentions, but in ignorance. After listening to the explanation of the Minister of Public Works and noting our concern, and realizing that standing together on this question we know what is best for the people of British Columbia and for the development of the hydro resources of British Columbia and Canada, perhaps the hon. gentleman would rise in his place and withdraw the amendment.

Mr. Pickersgill: Mr. Chairman, I imagine that the reason the hon. member for Kootenay West has spoken in the way he has is that his party has not any representatives in this house anywhere east of North Bay. He cannot help but raise in the minds—

Mr. Argue: How did you do west of North Bay?

Mr. Pickersgill: A lot better than you did east of North Bay. You have zero east of North Bay and we still have members, including my seatmate, west of North Bay. We have better prospects too. However, Mr. Chairman, I suspect that I am a little out of order.

I wanted to deal quite seriously with the serious, but I think mistaken argument put forward by the Minister of Public Works. The minister knows quite well, even if the hon. member for Kootenay West may not, that it would not be possible for Canada to embark on an enormous scheme like the Columbia scheme without legislation; that is quite clear to anyone. It does seem to me that at that time or at the time that any other project, even a much smaller project which may be in the national interest, is brought before parliament, there will be an opportunity to alter the policy if that is desirable in the national interest.

After all, it has been a time-honoured and historic policy of the two major parties, at any rate up until now, that there should be no licence for the export of hydroelectric power for a period of more than a year at a time. Any change should be made in the presence of a concrete problem, and not to weaken what, after all, is to some degree a bargaining advantage. I would remind the hon. gentleman, who boasts about his vision stopping at the rockies, and who says he knows best what the people of British Columbia want, that after all we are legislating

for all the people of Canada and not just for the people of British Columbia.

There might easily be aroused in the minds of some of us a suspicion that some of the valuable power in other parts of the country was going to be exported by a government some day without coming to parliament in order to facilitate something being done in British Columbia. I am not suggesting that the Minister of Public Works, the Minister of Trade and Commerce or the present government has any such thought in mind; I am sure they have not any such thought in mind and I hope there would never be a government that would have such a thought. But the Minister of Public Works will recall that it is not very many years ago that the government of British Columbia, under the present premier, with respect to the Columbia river was going to do something of which the minister strongly disapproved and which he considered was not in the national interest. We should not make legislation just for this government or for a hypothetical situation. We should make legislation in the light of all the facts. I suggest that no present case has been put forward for changing the historic policy of this country in this respect over the last fifty years.

Mr. Churchill: I should just like to say one further word on this matter. I think the hon. member for Bonavista-Twillingate knows as well as does anyone here that one parliament can change what another parliament has done. Hence even if you write everything into statutes you are not protecting the future forever, for you do not know what might happen.

The hon. member is quite right in saying that the Canadian people and parliament have been very jealous with regard to their rights concerning the export of electricity. That statement is true. I have read the story of electricity over the last fifty years. Parliament has taken extreme care to see that there was no carelessness in the export of electricity to the disadvantage of Canada.

The hon. member for Ottawa West was incorrect in stating that the annual licence was in legislation and that we were now changing legislation by this clause in the bill that is before us. That is not so. In the Exportation of Power and Fluids and Importation of Gas Act there is nothing that restricts the export of electric power to one year. It is part of the regulations.

May I say one further word. Although there has been a good deal of discussion with regard to the development of hydroelectric power, I mentioned the fact—and I want to emphasize it again—that there is great opportunity ahead of Canada in the development of electric power by thermal stations using our abundant supplies of coal. I have knowledge of a proposed development scheme of that kind where action is necessary in order that the proposal may be carried a step forward. The financing of that proposition is like the financing of a gas pipe line or an oil pipe line. It must be on a long term basis, extending over twenty years or twenty-five years. Unless the authority is given to the national energy board to have licences running up to twenty-five years it seems to me that a development such as the one I have heard about could not take place. Here again we are leaving the matter flexible.

We are leaving it to the national energy board to weigh the facts, to size up the situation and to make its decision; but we are not restricting them to a one-year matter in so far as electric power is concerned. We are expecting that they will be just as careful as Canadians have been in the last fifty years with the export of our power resources and that they will be just as careful as any member of this chamber would be. But why put into legislation restrictive clauses when you cannot be sure of the developments that are ahead of us? It seems to me that these two examples that we have used this afternoon give weight to the suggestion that the clause should remain as it is printed.

The Chairman: Is the committee ready for the question on the amendment?

Some hon. Members: Question.

Amendment negatived: yeas, 14; nays, 46.

Clause agreed to.

On clause 86—*Penalties.*

Mr. Herridge: Subclause 1 of clause 86 reads as follows:

(1) Every person who violates any of the provisions of this part or the regulations made under this part is guilty of an offence punishable on summary conviction as provided in the Criminal Code.

I presume that the persons who would violate the provisions of this part would be officers of a company, agents of a company or employees of a company. Can the minister explain how these penalties would be applied? If it was an official of the company or an agent of the company who did so, would not the company itself be guilty? From reading the section I am not quite clear as to just how it would operate with respect to the application of penalties.

Mr. Churchill: It is a hypothetical question. You cannot answer that question clearly and concisely until you have the facts as to who committed the offence.

Mr. Herridge: What I mean is this. The clause provides that a person who violates the

provisions or regulations is punishable on summary conviction as provided in the Criminal Code. Would the company itself be guilty or would it be officers of the company or agents of the company or employees of the company?

Mr. Churchill: It is possible that any of the categories mentioned might be guilty of an offence under this act. But there again the facts would have to be known before we could determine the matter.

Mr. Herridge: But it would be persons; you could not escape the penalties under this act by the company being charged?

Mr. Churchill: I am not quite sure whether we follow the hon. gentleman. The offence could be committed by the company or by the officials acting for the company. The company could be charged, but it would be the officials of the company who would have to answer the charge.

Mr. Herridge: Mr. Chairman, that would indicate, then, as I read it, that on summary conviction you would have violated some very important provisions of this part and get actually a very small fine indeed, and if it were a company it would be inconsequential as a form of punishment.

Mr. Churchill: If it is a company that violates some of the regulations, we have clause 84 which provides for revocation and suspension of licences and which reads in part:

—if, in the opinion of the board, the person to whom it was issued has violated or failed to comply with any term or condition thereof.

Clause agreed to.

On clause 87—*Extension of part to oil.*

Mr. Churchill: Mr. Chairman, on clause 87 I would like to make a few introductory remarks and then ask my colleague to put an amendment before you which I judge hon. members would be able to study between now and the conclusion of the supper recess.

When I was discussing this clause the other day, at the conclusion of the second reading debate last Thursday, there was considerable discussion and criticism on the part of hon. members opposite. At that time I said there was no concealment intended, that there was no intention to seize arbitrary powers, and then I went on in this way, as reported on page 4114 of *Hansard*:

If it seems advisable at some subsequent date to proclaim clause 87, the document which does that will be immediately tabled in the House of Commons and debate permitted with regard to that action.

[Mr. Herridge.]

Then the member for Ottawa West asked:

How would debate on that document to proclaim be permitted? Under what procedure?

Then I went on:

It has been done before, Mr. Speaker. It would be open to the house at the time that document was tabled or subsequently, on recognition of the place in the program for a debate of that nature, to debate it. It has frequently happened that the government of the day has agreed to the debate of a subject on the request of the opposition. We are suggesting that can be done under these circumstances.

It is in order to make it clear in the bill that that situation will prevail that the amendment which hon. members will hear of in a minute or two is going to be proposed. Quite a bit of reference has been made to the 1955 debate, and the opposition has praised us for the way in which we, then in opposition, upheld the rights of parliament, and we shall continue in that noble cause.

Mr. Martin (Essex East): What the minister means is that we were reminding him of his eloquent words.

Mr. Churchill: My hon. friends opposite have learned so much from that debate in 1955, which incidentally will go down as one of the most historic debates in the life of our country, because from that time began the decline and subsequent fall of the Liberal party. In that defence production debate, after we had pressed the government very hard, the prime minister of the day, Mr. St. Laurent, finally came before us and indicated to us how regulations published under that Defence Production Act might be discussed in the House of Commons, the very type of thing which we were discussing the other night. In the interval I have looked up the method by which that was done, and we propose incorporating that in the amendment which my colleague will now propose to the chair.

Mr. Green: I move:

That clause 87 be amended by adding thereto the following subclauses:

"(3) The governor in council may by regulation exempt any class of oil or oil products or any area from the operation of all or any of the provisions of this part.

(4) A proclamation issued under this section shall be laid before both houses of parliament as soon as may be after it is issued, and a notice of motion in either house signed by ten members thereof and made in accordance with the rules of that house within seven days of the day the proclamation was laid before that house, praying that the proclamation be revoked, shall be debated in that house at the first convenient opportunity within the four sitting days next after the day the motion in that house was made; and if both houses of parliament resolve that the proclamation be revoked, it shall cease to have effect and the provisions of this part shall thereupon cease to be applicable to oil."

Mr. Argue: Mr. Chairman, an amendment to the minister's motion very quickly comes to my mind. He suggested ten members. I think that under the rules of this house if five members rise a division is held. In most instances five members can call for votes on various stages in debate. Certainly for a group of our size five members would be more acceptable. I merely ask the minister to take that into consideration. I think the purpose he has in mind is to allow a political party in this house to call for such a debate.

Progress reported.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. Speaker: As there are a number of divorce bills standing for second reading, is it the wish of the house to have them taken in one motion?

Some hon. Members: Agreed.

Mr. R. J. McCleave moved that the following bills be read the second time:

Bill SD-275, for the relief of Greta Libenstein Goldfeder.—Mr. McCleave.

Bill SD-276, for the relief of Andre Maurice Petit.—Mr. McCleave.

Bill SD-277, for the relief of Iris Marion Saunders Robbins.—Mr. McCleave.

Bill SD-278, for the relief of Eleonora Dudarowa Shukoff.—Mr. McCleave.

Bill SD-279, for the relief of Jeannette Belanger Ross.—Mr. McCleave.

Bill SD-280, for the relief of Evelyn Isbitsky Goldenberg.—Mr. McCleave.

Bill SD-281, for the relief of Salla Weisman Stopnicki, otherwise known as Sally Weisman Stopnicki.—Mr. McCleave.

Bill SD-282, for the relief of Ovila Rivet. —Mr. McCleave.

Bill SD-283, for the relief of Bella Valinsky Segal.—Mr. McCleave.

Bill SD-284, for the relief of Alexander Pavlovich.—Mr. McCleave.

Bill SD-285, for the relief of Catherine Anne Gillis Roper.—Mr. McCleave.

Bill SD-286, for the relief of John Robertson Low.—Mr. McCleave.

Bill SD-287, for the relief of Barbara Ann Foam Armstrong, otherwise known as Barbara Ann Foam Copan.—Mr. McCleave.

Bill SD-288, for the relief of Ruth Mary Morgenstern Usher.—Mr. McCleave.

Canada Elections Act

Bill SD-289, for the relief of Eddie Ronald Joe Willard.—Mr. McCleave.

Bill SD-290, for the relief of Michel Alphonse Dubois.—Mr. McCleave.

Bill SD-291, for the relief of Jean Huard DeRoberval.—Mr. McCleave.

Bill SD-292, for the relief of Phyllis Ann Applebaum Isenberg.—Mr. McCleave.

Bill SD-293, for the relief of Zita May Pardoe McCall.—Mr. McCleave.

Bill SD-294, for the relief of Monique Andree Seguin Tyson.—Mr. McCleave.

Bill SD-295, for the relief of Bertha Sylvia Berman Maxwell.—Mr. McCleave.

Bill SD-296, for the relief of Margery Fletcher Dennis Phillips.—Mr. McCleave.

Bill SD-297, for the relief of Margaret Helen Dawson MacKenzie.—Mr. McCleave.

Bill SD-298, for the relief of Eleanor Gwyneth Henley Norman.—Mr. McCleave.

Bill SD-299, for the relief of Marie Pauline Primeau Landreville.—Mr. McCleave.

Bill SD-300, for the relief of Ellen Wilk Tuke.—Mr. McCleave.

Bill SD-301, for the relief of Rhoda Lillian Rabinovitch Katchan.—Mr. McCleave.

Motion agreed to, bills read the second time, and referred to the standing committee on miscellaneous private bills.

CANADA ELECTIONS ACT

AMENDMENT TO PROTECT VOTING RIGHTS OF INDIANS

The house resumed, from Tuesday, February 24, consideration of the motion of Mr. Howard for the second reading of Bill No. C-13, to amend the Canada Elections Act.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I believe that the mover of this bill had in mind taking it as an adjunct to Bill No. C-15, to amend the Indian Act, because the purpose of Bill No. C-13 is in effect to take out of the present provisions of the Canada Elections Act those restrictions which presently exist in so far as they prohibit an Indian as defined in the Indian Act from casting his vote at a federal election.

On June 10, 1958 a somewhat similar bill designed to amend the Indian Act was before the house and I made certain remarks in connection with our consideration of that bill which I submit to the house showed that the amendments sought thereunder were impossible of implementation because they had not considered deeply enough the legal status, in effect, of the Indian people whom the legislation was intended to affect.

I think it important for the house to consider before passing on this legislation just

what is the legal status of an Indian. The Indian Act is chapter 149 of the revised statutes. Under this act an Indian is defined as a person who pursuant to the act is registered as an Indian or is entitled to be registered as an Indian. In section 5 the Indian Act sets forth that an Indian register shall be maintained by the department which shall consist of band lists and general lists in which there shall be recorded the name of every person who is entitled to be registered as an Indian.

A qualification to the definition of an Indian can be found in section 12, subsection 1, paragraph (b) of the Indian Act. There it is set forth that a woman who is married to a person who is not an Indian is not entitled to be registered as an Indian. Under section 14 of the act a woman who is a member of the band ceases to be a member of that band if she marries a person who is not a member of the band; in other words, if she marries either a white person or a person who is an Indian entitled to be registered but in another band. The point I wish to make in this regard is that an Indian woman who marries a white person ceases to be a person registered as an Indian upon marriage. When her husband dies, however, her status could well be argued to revert.

The explanatory notes of Bill No. C-15 read as follows:

> The purpose of this bill is complementary to another bill of this session to amend the Canada Elections Act. It is to provide that Indians, as defined in this act—

I submit that those words are important, "as defined in this act". I continue:

> —shall be entitled to vote at federal elections without detracting from their hereditary, treaty, aboriginal, or other similar rights.

In order for this suggested legislation to have effect at all the Indian whom it purports to touch must be an Indian as defined in the Indian Act. I have attempted to show that the definition as it presently stands in the Indian Act falls somewhat short of being an all-inclusive definition.

In that regard the companion legislation, Bill No. C-17, does not by its provision cover this eventuality. In considering what is the legal status of a Canadian Indian it should be pointed out that not all so-called Canadian Indians have special legal status as Indians. I have already attempted to show that in order to have that status an Indian must be registered with the federal Indian affairs department in accordance with the provisions of the Indian Act as it now stands.

There are three groups of so-called Indian people in Canada who are not eligible to be registered at all and therefore do not have Indian status. They are the Indians whose ancestors have left the Indian reserve or who do not have a residential status on the reserve; the Indians who have mixed blood in their veins—and of course we are not concerned with this group in our discussion—and married women who by reason of marrying away from a band cease to be regarded as Indians.

Those persons who are not registered as Indians have a great many problems both socially and financially and very unhappy problems they are, too. The courts through the years have held that when these Indians are off the reserve the laws of the dominion and the province shall apply to them, while on the reserve the laws of the dominion and the province shall apply unless they are in direct conflict with the rights given by a treaty or by the Indian Act itself. I shall attempt to show the nature of this problem if hon. members will bear with me.

Both by treaty and by the Indian Act the Indian is given a legal status which is inferior to that of the ordinary Canadian citizen. Perhaps this is just as opportune a time as any to say that the hon. member who moved this bill certainly has my full support because the principle he is seeking to have established through the bill is a proper one. The Indian is just as much if not more a Canadian citizen than any of us and certainly the right to vote in a federal election should be his. The Eskimo people should also have the inalienable right to vote.

There are approximately 165,000 treaty Indians in Canada today according to a recent count, one-half of whom live in eastern Ontario. This entire group is a minority in our midst and as I said the Indians suffer from a greatly inferior legal status. I submit that the blame for this situation does not lie entirely with the white man alone; the red man, the Canadian Indian, is just as responsible for his lack of adequate legal status today. This is a product of history and in order to examine why this is so I propose to refer to some of that history very briefly.

The French by the Treaty of Capitulation of 1760 and the Treaty of Paris in 1763 admitted the Indians' claims to hunting rights and to land. In 1790 the English began taking surrenders of land from the Indians, paying money and wampum for these lands. In 1792 Governor Simcoe surrendered a crown grant of land to the Indians of the Six Nations in return for a surrender of a large area of land over which that tribe had dominance. In eastern Canada these capitulations and exchanges of land were called "surrenders",

and in some cases were crown grants. In other cases the title was held for the Indians by the crown.

That is pretty well the situation today. The Indians signed the treaty expecting the justice of the white man's chief and instead they were to find the restrictive laws of Canada were to apply to them but not those guaranteeing them legal status as Canadians in all of the implications of that latter phrase.

By the treaty he had been made a ward of the crown, and he could obtain land, but not land held in fee simple, outright. He could earn a livelihood by hunting. There is much concern, as suggested by the mover of this bill, as to whether the treaty rights have been upheld. The Indian has the right to hunt. The federal government, under the British North America Act, had exclusive jurisdiction as to Indians. However, the federal government transferred its resources in 1930 to the provinces, and with this went the jurisdiction over hunting and fishing rights. The Indians were charged by game wardens and others in charge of resources for hunting without a permit and hunting out of season. Most of those cases were undefended and the Indians were levied pretty hefty fines. Today, this is not the situation, as is evidenced by a recent decision in the case of an Eskimo at any rate by a judge of the territorial court of the Northwest Territories. In any event, suffice it to say the courts today uphold those long preserved treaty rights of the Indians.

The right of occupation of certain areas of land, now commonly known as Indian reserves, has not been diminished in so far as those having treaty rights are concerned. At the time of the signing of the treaties to which I referred great emphasis was placed on the fact that this land was preserved to be available to the Indian and his children and his children's children. It was a great inducement to the Indian people at the time to sign the treaty. Under those treaties the Indians obtained an inferior legal status. I will come back to this point again.

To revert for a moment, may I say that that particular status in effect was derogated upon the signing of the treaties. The passage of the Indian Act simply compounded this situation. The first Indian Act was passed in 1868. The government soon realized that if they were to make the Indians their wards there must be a special act to govern. I do not propose to review the past Indian acts but simply to consider the parts of the provisions which I have already placed on the record.

In the past undoubtedly special legislation was necessary to protect the Indian but now thousands of Indians have been to Europe to fight for our country in the second world war and even in the first war. They can read and they do read newspapers; they have radios. They live in a democracy and they would like some of the democracy on their own reserves as well as outside. Hopes ran high among the Indian people that they were at last to get a new act. They hoped—at least a large portion of them—that they would get the vote. They hoped that they would also be able to run their own affairs. Some advantages were given to them by the new act, but actually Indian affairs in most cases are still being run in much the same manner as they were 90 years ago.

The new act really did not give the Indians the vote. The courts have held that an Indian's property, both real and personal, off the reserve is taxable, while on the reserve it is not. Under the Indian Act if he takes the vote he will be taxed on his land and on his personal property on the reserve and he must pay succession and inheritance taxes. The Indian can, with the consent of the minister, apply for enfranchisement and become a Canadian citizen under the present provisions of the Indian Act. If he does that he will then have the vote but he must transfer his land to another Indian on the reserve within 30 days and sell any improvements that he may have made on it. If it is not sold by then it is auctioned off and he must take what he can get for it. Once enfranchised neither he, his wife nor his children can ever return to the reserve. They receive compensation for the income they would have received had they stayed on the reserve for the next 20 years but of course this is much less than the children would have eventually received.

These terms in the present Indian Act make the Indian people themselves—a large portion of them at any rate—dread enfranchisement. These terms, the terms which I suggest the mover of the bill has not taken into consideration in his companion legislation when he proposes certain amendments to the Indian Act, are such that there is not much purpose in the house acceding to this bill being passed when the companion legislation which purports to effect the amendments which are necessary is lacking.

To get back to what enfranchisement would do to the majority of the Indian people resident on the reserves. To the Indian, as I said, enfranchisement is a threat rather than a privilege and the section of the Indian Act which allows an individual or a whole tribe to be forced into enfranchisement without their consent is truly a threat over their heads. It is difficult for an

Indian to give up his only home and the only way of life he knows to receive the privilege of the vote. With his limited experience he usually feels the price is too high. He cannot foresee that without the vote he will never have a voice in running his own affairs or enacting the laws governing him.

Not only is it extremely difficult for the Indian to obtain the vote, but he also lacks that fundamental right we all cherish, namely the right to own our own property. Off the reserve the Indian may own property but on it he may not. It matters not whether the title for the reserve is held in the name of the crown or whether it is a grant, as long as the property is for the exclusive use of the Indians, it is under the jurisdiction of the department of Indian affairs and from their decision there is no appeal under the present provisions of the act. The minister of the department, before this government came into power, in the past decided what the reserve will be used for; that is, this purpose or that purpose. Under the provisions of the act the minister may decide what portion may be divided into lots or sections, or whether it should be divided at all. He decides—in this case she decides—where roads will run and what portion will be set aside for schools and hospitals.

No Indian may even hold a small portion of his own reserve as his own. If the tribe votes a portion of the reserve to any one Indian the minister may, if she so desires, take the land from that Indian and give it to another. If the minister does take it she will pay to the Indian the amount she decides for the house and any improvements which have been made on the land. Even on the Indian's death his widow cannot stay on the land unless the minister consents to her presence, nor can the Indian's heirs; nor can the Indian lease any portion of the land the tribe may have voted him without the minister's consent. He may, with the consent of the minister and of the whole tribe, surrender his land back to the crown and the minister will then dispose of that land in the manner in which she sees fit. If the whole tribe desires to leave the reserve, they cannot sell their reserve without the minister's consent. The minister may even lease the Indian's land to a white man, if she so desires, for one year, without the Indian's consent.

In the new act there is a section which says that a tribe, if they get the government's consent, can secure control of the land on their reservation and supervise its allotment, but as this consent can be withdrawn at any time it offers little hope to the Indian of ever getting permanent control of his property. The fact that the Indian must always be a tenant of the crown discourages him from improving the land or taking pride in it. In other words, the minister and the department have complete control of the land of the Indian people. The Indian, because he has no vote, has no real voice in the appointment of the minister and from the minister's decision there is no appeal.

One does not have to look very far for justification of the principle behind the legislation before the house. Extending to the Indian people the right to exercise the franchise would give them some voice in the actions of the federal government in these matters relating to the disposition of the land which has been preserved for the Indian people by treaties of 100 years ago and more.

These provisions of the Indian Act to which I have referred are only a small portion of the provisions of that act which must be considered as companion amendments to the legislation before the house before the bill should go forward in its present incomplete form, incomplete inasmuch as the companion bill is incomplete, and much more consideration must be given to the matter.

I might refer here to the committee on Indian affairs which has been established and which is composed of members of this house and the other place. At this time that committee is in the process of considering all aspects of the life of the Indian people of Canada. It is a committee that has been wanting for a long time, a committee upon which is sitting a very distinguished member of a well-known Indian band of the west who is also a very distinguished member of the other place. For the first time in Canada's history the Indian people will have a voice of authority on this committee. This is a great stride forward in the achievement of an understanding of the problems confronting the Indian people.

I have no doubt whatever that the enfranchisement of the Canadian Indian will be one of the subjects which will be considered by the joint committee, and perhaps at this juncture it would be proper for me to suggest to members of the house that this bill should not go forward now and, indeed, at any time until the findings of the committee which is now sitting are made known. Undoubtedly the committee will delve very searchingly and deeply into those provisions of the Indian Act to which I have referred during the course of my remarks. Once the committee has done that I am quite certain it will come up with all these factors I have mentioned which have a bearing on the far-reaching results that the passage of this bill would have, having in mind the fact that the bill might conflict with the provisions of

the present Indian Act. As I have already pointed out, quite conceivably substantial disadvantages might accrue to the Canadian Indian people if the bill were to pass in its present form without very searching consideration being given first to all the relevant provisions of the Indian Act.

I wish to make it quite clear before resuming my seat that the Yukon Indian people as well as the Northwest Territories Indian people have the right to vote in federal elections. I would venture to say that that right is cherished by the Indian people of the Yukon. Certainly they would not want to see anything done to disturb it and certainly I would do my utmost to oppose any such move vigorously. Having lived among the Indian people of the Yukon I can assure hon. members that they have as much grasp of the issues involved in federal elections as a good many of their white brothers, and on that score no member of the house should have any hesitation in supporting the principle involved in the bill.

I wish also to make one further point. There are Indian people in this country above the 60th parallel and, indeed, a good number of Eskimo people residing in areas of Canada who have no representation in this house at all. I am speaking of the Indian people who reside east of the 102nd meridian on the mainland of Canada and of the Eskimo people who reside on the Arctic islands. There are some Indian people east of the 102nd meridian. It is my intention to propose in the very near future that this area of Canada, now unrepresented in the house, be included as an electoral district and that the people residing there be given the opportunity of voting in federal elections. They are Canadian citizens as much as any hon. member of this house and as such they are entitled to the same rights and privileges.

I might mention here that by our neglect in not having taken this area into the collective consideration of Canada a large number of white citizens are also deprived of the vote in federal elections. I refer now to Royal Canadian Mounted Police stationed in these areas as well as defence personnel, personnel manning weather stations, scientists and the like. All of these people in this area are disenfranchised because there is simply no representation. However, I think chiefly of the Indian people, the subject of this bill, when I speak of this particular area. In the north there is certainly no doubt that above the 60th parallel all the Indian people cherish the right to vote and, speaking in full support of the principle behind this measure, I wish to suggest to the hon. member who has introduced the legislation that, because of all the reasons I have mentioned, the bill should be deferred until the findings of the joint committee of this house and the other place have been made known.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, the intent of Bill No. C-13, an act to amend the Canada Elections Act, is to extend the franchise to Indians now living on reservations. As the previous speaker pointed out, the Eskimos of the northern lands, the Indians of the Yukon and Northwest Territories and those Indians who have left reservations have the vote but Indians who are still on reservations, numbering some 165,000 or 170,000, have no vote. Their affairs are managed by government officials under the supervision of a minister of the crown and they have no recourse against that minister's decision through being able to express their pleasure or displeasure by the way they cast their ballots.

The mover of the bill has pointed out that this bill is a companion piece to Bill No. C-15, an act to amend the Indian Act, and that both bills have to be considered together. He has pointed out also that at the present time there are six provinces which extend the vote to Indians on reservations.

In 1949, the province of British Columbia extended the vote to Indians on reservations. In that year, the first native Indian, a Mr. Frank Calder, was elected to the provincial legislature from the constituency of Atlin. Other provinces which have extended the vote to Indians on reservations are Ontario, Nova Scotia, Newfoundland, Manitoba and New Brunswick. The history of the Indian nations, who are the original people of Canada, is a proud one. Their loyalty to the crown, their loyalty to Canada, has been unquestioned in wars starting with the war of 1812-14 and continuing through to the second world war.

I can hardly agree with the hon. member for Yukon (Mr. Nielsen) about the difficulties which can be encountered in implementing this bill, and I listened most intently to what he had to say. It seems to me the purpose of the bill is very simple. It simply says the federal government will do what these six provincial governments have done, that is give the Indians on reservations the right to vote without the loss of any of their treaty rights. He has pointed out that at the present time there is a standing committee on privileges and elections which has been set up to consider and recommend revisions to the Canada Elections Act. Undoubtedly the field covered in this bill will be considered by that committee, and for that reason it is perhaps very apt that this bill should come before us now. The debate which has occurred on this bill has covered

most of the aspects of the problem and should provide this committee with a wealth of information when they are considering the revision of the Canada Elections Act.

It has been pointed out also that the Prime Minister (Mr. Diefenbaker) has appointed the Hon. James Gladstone, a full-blooded Indian, to the other place. This is the first time that has happened. It does indicate that the government is conscious of the obligation to give our original Canadians representation in the government. I would think the logical follow-up from this point would be to pick out the essence of these two bills, that is Bill No. C-13 and Bill No. C-15, and implement their provisions in the relatively near future.

It has been pointed out also that there is a joint committee of this house and the other place set up to study the Indian Act. It seems to me that we would be ill advised to press either of these measures at the present time until these two committees, which have the power to send for people and to investigate very thoroughly, make their reports to this house. I expect the hon. member who sponsored this bill will be a member of both of those committees. I believe the problem can be cured at that time and some of the difficulties which the previous speaker has foreseen can be overcome as a result of the consideration given to these problems.

In my riding, which is a city riding, I do have an Indian reservation on the western boundary. The Indian children on that reservation attend a school where they mix with white children from a very fine area of the city. I am assured by the principal of that school that these young Indian boys and girls take second place to none in their ability, in their application and in their potential as good citizens of this country. There are numerous examples of the tremendous contributions made by Indians in the development of art, literature, business, finance, and in almost every field of Canadian endeavour. I have no hesitation in saying that I support the idea behind both of these bills. I am most anxious to see what I consider to be an injustice, that is the failure to give Indians a franchise, corrected. I believe that the hon. member for Skeena (Mr. Howard) has made a worth while contribution in bringing forward these two bills.

Mr. John Charlton (Brant-Haldimand): Mr. Speaker, on many previous occasions I have taken part in debates on bills similar to this one dealing with the same objectives as this one has. I compliment the hon. member for Skeena (Mr. Howard) for being so persistent in bringing this bill forward in this session as well as the past several sessions. I do agree with, and I am in sympathy with, the objectives of this bill.

I have the honour to represent the Indian reservation with the largest population in Canada. I refer to the Six Nations reservation near Brantford. Before going farther, however, it might be well to go into the history of the voting privileges of the Indian people in Canada. It is interesting to note that in 1885 a Conservative government gave the Indian people the privilege of voting. This privilege was based on a property qualification, and as near as I can understand it the qualification was that the Indian had to own a house to the value of around $150. This permitted almost any Indian to vote at that time.

It is interesting also to note that in the year 1898 the Liberal government of that day changed the law and made it necessary that the names of the Indians appear on the provincial enumeration lists. Of course I would presume that in 1898 there were very few provinces that permitted Indians to vote, and in that way the vote was taken away from most of the Indian people. After the first world war, of course, the veterans' names were added to the list of those having voting privileges, and after the second world war their spouses were permitted the privilege of voting. This is the position so far as federal elections are concerned now, outside of the Northwest Territories and the Yukon.

Ontario gave Indian people the privilege to vote in 1953. It is interesting to note the results of that action in the number of votes polled on the Six Nations Indian reservation in the three elections preceding 1953 and the one election that has followed 1953. In 1945, 89 votes were polled on that reservation; that is in the 1945 provincial election. In 1948, 97 votes were polled in the Brant portion and 3 in the Haldimand-Norfolk portion of the reservation, or a total of 100. In the election in 1951, in the Brant portion 89 votes were polled and in Haldimand-Norfolk 15 votes were polled, making a total of 104 votes. In the 1955 election, after the privilege of voting had been extended to the Indians, out of a total of 1,447 names on the list in the Brant section and 209 names on the list in the Haldimand-Norfolk section, it was found that 223 voted in the Brant section and 55 voted in the Haldimand-Norfolk section, making a total of 278 voting out of a possible 1,656.

That is an indication of the result. While not nearly all of those Indian people voted, a considerably larger number voted in the 1955 election than did in the previous elections. As I say, while not nearly all voted, there was a considerable increase in the numbers who did so. We know that all will not

vote. It is against the religion of some of them to vote. Hence, they do not wish to do so for anything.

The Indian people of Canada, being the first citizens of this country should be entitled to the same right and privileges as other citizens. I have said that on many occasions. A high percentage of those on the Six Nations reservation served in both world war I and world war II. They fought for their country. They are interested in the affairs of the country. As they became educated more fully over a number of years I think perhaps they will take a greater interest if given the privilege of voting.

It has been said that this proposal is trying to force the vote on the Indian people. I am sure there is no such intention. No one else in Canada is forced to vote. Why should the Indians be forced to vote either? As I said before, as to some of the people, namely those who retain their original religion and who are known as pagan Indians, it is against their religion to vote for anything; and, of course, they will not vote for the council on the reservations. You could not expect them to vote if it is against their principles to do so. But as time goes on the situation may change. I might say here that the educational system on that Six Nations reservation at or near Brantford is far better than that of most townships in that vicinity.

Some fear the loss of some of their privileges if they vote. Among those privileges, of course, would be the right not to pay taxes on the reservation. Indians, of course, pay all other taxes anyway except the personal income tax on money earned on the reservation and property tax on the reservation. They also enjoy a dual citizenship as between Canada and the United States. They fear that if they voted in a Canadian election they might lose that dual citizenship. I am sure they would not do so, but if they feel that way it is rather hard to convince them otherwise.

We have an Indian affairs committee set up to study the problems of the Indian people. I am sure that committee will go into this problem fully within the next year or so and I am sure that they will find a solution to this problem. Although, as I said before, I am in thorough agreement with the principle of this bill, I feel that it would perhaps be better if it were left over until after this committee has sat, completed its deliberations and brought forward its recommendations. I am sure that something will come out of its study. In view of the fact that many provinces now give the Indians a vote, probably something will be done with respect to the federal elections act. I am happy to have had the opportunity to take part in this debate. I hope that something constructive will come out of the committee hearings.

Mr. J. N. Ormiston (Melville): Mr. Speaker, having listened to hon. members who have spoken previously on Bill No. C-15, I felt possibly they were speaking from experiences in their own constituencies. I think we must all make a contribution on the basis of the experience we have gained. While it is obvious that a great deal of research has been done, especially by the hon. member for Yukon (Mr. Nielsen), and while certainly my contribution will not compare with his in erudition, I might admit to some close ties with the Indian people. I refer not to blood ties but to social ties. My father was able to speak the Cree language when he was a young man and went to school with the Indians some seventy years ago. The school at that time was in the Qu'Appelle valley and was integrated probably seventy years before its time. However, I just wanted to give the background for my contribution.

We must deal with Indians of many different types and temperaments. The need for the franchise must possibly be analysed at a local level. In this situation we must face some cold hard facts. It seems to me that there are some things which the Indian needs much more than he needs the franchise. In the next few minutes I intend to introduce some facts which will bear out that statement. In the province of Saskatchewan last year, in the Qu'Appelle valley there was a large gathering of Indian representatives. While in the process of discussing the affairs of the Indians they were met by a delegation of the provincial government led by the premier of that province. The premier at that time offered the franchise to the Indians and the right to buy liquor. I can say, Mr. Speaker, that 95 per cent of the Indians on the committee rejected the proposal. In the light of a decision of that nature we cannot be too hasty in suggesting that those Indians would prefer to have the franchise.

I think it has been found that the Indian is still afraid of losing his treaty rights. We have been unable to convince the Indian that we are not putting his inherent rights in jeopardy when we offer him the franchise. A great many Indians are still unwilling to accept the full responsibility which is assumed by the enfranchised citizen. We must realize that with privileges go responsibilities. We cannot withhold from the Indians the voting privilege when they are willing to accept their full responsibility.

We as legislators have the responsibility to encourage every worthwhile piece of legislation in order that the Indian will be integrated; but, as I mentioned before, the situation must be analysed possibly at a local level. When I look at the situation in my own area I do wonder what is the best plan. The Indians like many other people are having difficulties. Our Indians are experiencing the pangs of growing pains in learning how to conduct their affairs of local administration along the same lines as other citizens. A great advancement is taking place, we must admit, but they are still a long way from being able to legislate for themselves.

As I mentioned in dealing with the local situation with which I am possibly more familiar, and reverting to the point which I made about the Indian getting something more than a franchise, I would remind the house that on a reservation of possibly 300 families only 120 of these are engaged in farming and the raising of livestock. The remainder of those families make their living or are sustained by old age assistance income, casual labour, domestic labour and by the sale of hay and other available products on their reservation. The other 180 families are living on the bounty of the government. When we have Indians in that situation, we wonder whether there is some more helpful means of bringing them along into integration than merely by the franchise.

Again looking at it from a local level, we must realize that we have different groups of Indians even on the one reservation or in the one tribe. First of all we have the older group, and many of these are bewildered people who cannot understand the technical and social advances and will always be for the rest of their natural lives a charge on society. We wonder what advantage the franchise would be to them. We have the middle aged group with a limited form of education and probably very little technical knowledge. Sometimes they are apathetic to self-government and they have, as I say, little technical knowledge. This, Mr. Speaker, I am convinced is a result of living under a welfare state. As a result of living in this situation we cannot analyse the reaction of the Indian toward the franchise. We cannot comprehend how an Indian of this type will treat his right to vote and become a citizen in the same way as other citizens. We have possibly as the most enlightened group the students of today, and certainly it is a great deal of encouragement to all of us to see the progress which is being made in the academic institutions. Only recently I attended a graduation at the school of the Oblate fathers and saw a group of young Indians graduate, and they would do credit to any school in Canada. It seems to me that education is certainly the means by which we can place the Indian in a position where he will be able to appreciate the franchise and exercise it to the best of his ability.

We see as time goes on in the department of indian affairs that Indians are receiving the right to look after their own affairs. They are being given more responsibility, and only recently I noticed in my own area that several have been placed in positions as assistant farm instructors. In this type of development naturally the time will come when the Indians will be able to look after themselves, and I believe it is only a matter of time until the Indians of Canada will be in the position to accept in its full meaning the right to vote, the franchise which we all enjoy, and until the Indians themselves are ready and willing to accept that responsibility, I do not feel it should be thrust upon them.

Mr. Small: Mr. Speaker, may I call it six o'clock?

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

The house resumed consideration in committee of Bill No. C-49 to provide for the establishment of a national energy board—Mr. Churchill—Mr. Rea in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

On clause 87—*Extension of part to oil.*

Mr. Roberge: Mr. Chairman, I should like to make a few observations not only on this clause but on the amendment proposed by the minister. If I may be permitted to do so I should like to make these observations in French. The minister will understand that it will be easier for me although it will be more difficult for him. Perhaps by this time, however, he has grown accustomed to these difficulties and no doubt will follow the meaning of my words on the simultaneous translation device.

(Translation):

It is section 87, Mr. Chairman, which has to do with oil, and I think it is the first section in the bill which deals with oil. I shall read subsection (1), which says:

The Governor in Council may by proclamation extend the application of this Part to oil.

The part now being discussed, is, of course, Part VI, and section 81 provides that:

No person shall export any gas or power or import any gas except under the authority of and in accordance with a licence issued under this Part.

Under section 82, licences for power or gas export are mentioned and subsection (b) reads:

(b) for the importation of gas.

Before the amendment, we were being asked to give the government, or to the governor in council, very far reaching powers. Now we, on this side of the house, were opposed to the granting of such powers to the government. We were being asked to let the government decide when, where and how the act, or regulations thereunder, would apply to oil. We were being asked further to let the government decide what kind of control should be exercised with regard to either import or export of oil. Then, on second reading, we strongly objected to legislating in that manner.

(Text):

At this point I should like to refer to what was said by the hon. member for Ottawa West on Tuesday, May 26, as reported at page 4028 of *Hansard*:

I am one who believes that parliament should have the right to deal with matters of this kind, and I am at a complete loss, remembering the argument used by the Minister of Trade and Commerce (Mr. Churchill), the Prime Minister and the Minister of Public Works (Mr. Green) when they were in opposition, to understand how they could seek the kind of arbitrary power they are now seeking, and let this proposal get past the draft bill stage and be introduced into this house, having regard to all they said against arbitrary power in the situation which was related to a national emergency and to the national defence of this country.

Those were the words spoken by the hon. member for Ottawa West on Tuesday, May 26. The next day with regard to the same matter the Leader of the Opposition, as reported at page 4084 of *Hansard* of Wednesday, May 27, had this to say:

Finally, may I mention the situation regarding section 87 having to do with oil imports and exports. It has already been dealt with in great detail and I do not propose to do so in detail at this time.

My leader then made reference to remarks made by the hon. member for Calgary South the previous evening. I shall pass over these without reading them, although not because I dislike the hon. member for Calgary South who is a nice gentleman. I continue reading from the words of the Leader of the Opposition:

I know that he was no doubt thinking of an emergency which would require action with regard to imports so that western oil could be moved east under certain circumstances.

Further along the Leader of the Opposition continued:

That kind of situation would require government action at the time perhaps with regard to the import of oil but it would be of such a far-reaching character that our complaint is that this action should be taken with the knowledge and consent of parliament.

(Translation):

At this stage, Mr. Chairman, I want to stress the considerable amount of work done by my leader, the Leader of the Opposition (Mr. Pearson) and by my colleague, the hon. member for Ottawa West (Mr. McIlraith) who exerted pressure upon government leaders for the improvement of this bill, especially section 87, but also section 85 (2).

Mr. Martin (Essex East): Hear, hear!

Mr. Roberge: But for the amendment suggested this afternoon, before adjournment, by the hon. Minister of Trade and Commerce (Mr. Churchill), we ourselves would have had at least three amendments to suggest; now, however, we shall not move them. We believe that the amendment moved by the Minister of Public Works (Mr. Green) is, on the whole, acceptable.

(Text):

I was saying that we on this side of the house having regard to the arguments we put forward are prepared to accept the amendment proposed by the minister to clause 87 of the bill by which amendment subclauses 3 and 4 are added to clause 87. Before proceeding any further I have a suggestion to make to the Minister of Trade and Commerce.

The minister said that clause 85 (2) which was deleted from the bill referred specifically to oil. Subclause 3 that is now proposed reads as follows:

The governor in council may by regulation exempt any class of oil or oil products or any area from the operation of all or any of the provisions of this part.

Subclause 4 refers only to the proclamation referred to in subclause 1 and 2 of clause 87.

In view of the fact that under the proposed amendment parliament would be seized of the proclamation as soon as it has been issued, would it not be a good thing to also include the regulations mentioned in subclause 3 so that parliament would be able to judge whether the government is right or wrong in exempting a certain class of oil or a certain area from the application of this part?

I should like to make this suggestion to the minister and I hope he will consider it

in the spirit in which it is offered, that the following words be added to subclause 4: After the word "section" in the first line the words "and regulations made thereunder". Of course, in the third line the words "it is" should be changed to the words "they are". In the fourth line from the bottom after the word "proclamation" I should like to have the following words added, "or regulations made thereunder". The word "it" at the end of the line should be changed to the word "same".

This will have the effect of enabling parliament to judge exactly what had happened in the recess and what is happening with these regulations that exempt a class of oil to the extent that the entire part of this bill applies to oil.

Mr. Churchill: Mr. Chairman, I think the hon. member who has just spoken has made a very useful contribution to the debate and I appreciate the co-operation of the opposition in working with us on this bill and making it clear where it was perhaps vague. Also, as I mentioned last night, we have had considerable assistance from people in the oil and gas industry in suggesting amendments which did not change the basic factors in the bill at all but simply spelled things out a little more clearly.

I am very glad to hear that the opposition is prepared to accept this modification of clause 87. I think it indicates that we are, as we were throughout this debate, pretty much of a mind concerning the general principles underlying the bill but had some differences of opinion regarding clauses here and there. However, the hon. member has suggested that with regard to subclause 3 of the proposed amendment that the regulations made under that clause might be put forward for debate in the same way in which we are suggesting the proclamation might be.

I hope the hon. member will not press that too far for two reasons which occur to me immediately: one, there might be a number of regulations subject, perhaps as time goes on, if this clause becomes operative, to amendment; two, the regulations will be in the normal course and according to law published in the *Canada Gazette* and subject to debate at the same time that debate occurred under subclause 4. Under subclause 4, if and when a debate is called according to that procedure, any regulations that had been drafted would be open to consideration, to criticism and to amendment. Then, too, as a third reason, if under subclause 4 following debate it is resolved that the proclamation be revoked, the regulations under clause 87 would fall automatically. Therefore, I hope the hon. member will not press us too hard on that if my explanation appears to him to be satisfactory.

Mr. McIlraith: Because I spoke so strongly on the principle involved in this clause on second reading I should like to say a word or two about it. I said that the clause in the bill as printed and presented to the committee was in that form most offensive and could lead to a great many difficulties that would be damaging to the country in certain circumstances. The minister has now come forward with an amendment which, while it does not do all the things we asked in that it does not permit a decision by parliament on the question of whether or not oil import control should be established before such action is taken, it does go a long way in ameliorating the difficulty of which we complained. Because it goes such a long way I think it is perfectly proper to accept it as a compromise. It can, I think we must admit, be argued that it is a wholly reasonable compromise of two conflicting points of view and it certainly will permit the minister to take action to have the government provide for the possible difficulties of which he thought there was some danger and for which he thought provision should be made. At the same time it permits parliamentary control over the action even although that parliamentary control may be a second-class method in that it comes after the action has taken place.

Since it is put forward as a compromise and does go a long way toward meeting the difficulty we raised at the earlier stages of this bill, I am perfectly content to accept it, and I must acknowledge to the minister our appreciation of his bringing it forward. Possibly, there are some small objections which could be taken to subclause 3, but those are guarded against by the fact that it is limited to oil only. It is possible to make out a hypothetical case against it but I think legislation has to be practical. While our objections to the clause 85 (2) as it existed before that subclause was deleted stands in its full force and vigour, I think having the clause limited as it is here to oil removes most of the objections to it, or sufficient of them that we are not going to press the matter further.

Mr. Argue: Mr. Chairman, the amendment moved by the Minister of Public Works, coupled with the deletion of subparagraph (2) of clause 85 goes a long way toward meeting the objections of the C.C.F. group to the arbitrary, sweeping powers that had been retained by the cabinet. This suggests to us that our very strenuous and vigorous protests have been very much worth while.

The provision in clause 87, as contained in the amendment, limits the regulations that the government may make to exempt any class of oil or oil products to the clause on oil. I think that subparagraph (4) of the suggested amendment is one that is very much in keeping with the rights and supremacy of parliament. In the terms in which it has been stated it does give to the House of Commons and the members thereof an opportunity under the rules to have the proclamation issued under this clause brought before the house for debate. The main value very likely of this subparagraph will probably by experience be found to be not that many debates will arise thereunder but rather the very knowledge that this provision is contained in the act will make the cabinet rather careful not to issue proclamations that will likely result in a protracted debate in parliament. We congratulate the government on having listened to the opinion of the opposition as far as this particular provision is concerned. We hope that the government will keep an attentive ear tuned to the suggestions of the opposition in the future.

Mr. Martin (Essex East): Mr. Chairman, having used strong words in connection with some phases of this bill I would feel I was lacking in sportsmanship if I did not say to the minister that I too wish to join with others in expressing the satisfaction we all have over the decision of the government in the face, if I may say so without any way detracting from the richness of my acknowledgment, of the strong representations made by the opposition regarding this and other clauses. I note on reading the amendment that the principle incorporated and, indeed, much of the language are not unlike that introduced by the Right Hon. L. S. St. Laurent when he was prime minister on the occasion of a debate in this house on a bill to which these words were made applicable. Just as on that occasion he acknowledged the co-operative effort of those then sitting on this side, it is not without propriety that there should be a similar acknowledgment of the readiness of the minister to listen to representations made by the opposition groups.

This amendment, while not perfect in its entirety in view of the observation made by the hon. member for Megantic, nonetheless remedies substantially the objections that were noted on this side and on that account, as one who last night said that he believed there was a proper constitutional relationship between the executive and parliament, I cannot help but note with great satisfaction the acceptance by the minister of these views.

Amendment agreed to.

Clause as amended agreed to.

Clause 88 agreed to.

On clause 89—*General regulations.*

Mr. Argue: On clause 89 I have a general question I should like to ask the minister. The clause reads as follows:

> The governor in council may make regulations for carrying the purposes and provisions of this act into effect.

I had intended to ask this question under clause 85 but during its discussion I was called to the telephone and while I was out the clause was passed. However, I think it is quite appropriate to ask my question under this clause and that is why I raise it at this time. It has been reported from Washington, I understand, that it is the opinion of usually well-informed people in the capitol that the Canadian government has arrived at a policy with respect to the exportation of gas to the United States by Trans-Canada Pipe Lines Limited, and the report suggests that the Canadian government is desirous of an increase in the proposed rates for gas that may be charged by this company. Would the Minister of Trade and Commerce care to comment on any decision the government may have taken in this regard or on any opinion the government may have as to policy? I do not wish the minister to reply that I am now suggesting that the Canadian government adopt a policy without any reference to the energy board. I had these notes on my desk before subclause 2 of clause 85 was deleted and I have had a number of requests to ask the minister this question. I said that I would ask the government this question and I have now done so. I would appreciate learning whether the government has gone ahead in its thinking as to export rates for gas that will be charged United States consumers and whether in the opinion of the government there should be an increase in the suggested charges.

Mr. Churchill: Mr. Chairman, reports are constantly being circulated with regard to matters pertaining to the oil and gas industry and sometimes you hear rumors about what the government is intending to do, what it has decided and things of that nature which actually are in the realm of speculation. The answer to the hon. gentleman's question is that no decision has been made along this line and, as he pointed out, it will be the problem of the energy board to look at the entire situation and then examine the licence applications that are before it and inform us as to what in their opinion should be done. That is about the situation as I see it. There has been no decision on the part of the government. The policy of the government has been

expressed in the course of the debate which has gone on now for so many days.

Mr. Argue: That is really what I had reference to. I do not want to put words in the minister's mouth but I took it from his statement the other evening that that was the intention of the government in rejecting the amendment proposed by the Liberal party and that even though the circumstances might be considered similar the policy of the Canadian government would be to get the very best price possible for Canadian gas.

Mr. McIlraith: This clause seems to be extraordinarily wide and I am wondering whether the minister has in mind any particular type of regulations that would be required, bearing in mind that clauses 7, 42, 85 and 88 give quite extensive powers to make regulations. Clause 7 provides for rules being made by the board covering its own hearings and the procedure in relation thereto. Clause 42 provides that the board may, with the approval of the governor in council, make regulations respecting the location of international power lines, the registration of plans, and so on. Clause 85 gives rather extensive power to make regulations to the governor in council limited to the export and import of power, gas and oil. Clause 88 gives the board, with the approval of the governor in council, power to make regulations on a very extensive variety of subjects. Indeed, it seems to me to be taken mostly from the Pipe Lines Act. At the moment, I am unable to visualize the requirements for clause 89, and I wish the minister would clarify just what type of regulations he has in mind that are not provided for in the other rather extensive clauses that provide for the making of regulations by the different authorities concerned.

Mr. Churchill: Yes. The hon. member has drawn our attention to clause 89, which is expressed in general terms, and has indicated four clauses in which regulations are also mentioned. Those four, clauses 7, 42, 85 and 88, deal with specific matters concerning which regulations shall be made. This one, clause 89, is intended to cover the administrative details, the internal organization of the board itself, and is put in just in case the governor in council may find it necessary to make some regulations covering any specific matters such as have been outlined already for the organization of the board, its staff, and things of that nature.

Mr. McIlraith: There is one further question I should like to ask the minister. The language used in clause 89 is general, and very broad. I am wondering if it is the intention of the government in council, by regulations under this clause, to supplant the authority of the board, or the board with the approval of the governor in council, as indicated under the other clauses. This is a possibility which I think is contrary to the scheme set out in the bill but yet is possible under the language of this clause as drafted.

Mr. Churchill: I doubt that it would go that far. It does not confer any powers beyond those that are to be found elsewhere in the bill. It is not intended that it should override any of the other powers in the bill.

Mr. McIlraith: Has the minister satisfied himself this clause is in language which does not permit the governor in council to override the other authorities? I point out to the minister, to illustrate what I mean, that it is not stated to be subject to clauses 7, 42, 85 and 88. It is not made subject to the four clauses and I wonder if that was deliberate, if it was intended.

Mr. Churchill: In our judgment it could not run contrary to those specific clauses because it states here it is for carrying out the purposes and provisions of this act. Our examination of it indicates that it would not go as far as the hon. member has suggested and is warning us against. I believe it is intended solely for administrative purposes.

Mr. Martin (Essex East): I think this is a rather unusual clause. As the hon. member for Ottawa West has pointed out, there are four other clauses of the bill which deal with regulations that may be made by the board, in some instances with the approval of the governor in council, or as in clause 7 without the approval of the governor in council. Clause 88, of course, is one that hardly touches the kind of purpose that the minister stated conceivably could belong to clause 89. But certainly, clause 7 in particular and clause 42 would seem to embrace what might be contemplated in clause 89, in order to make effective the purposes and provisions of this act.

One wonders certainly whether this clause is needed at all. I am particularly impressed with this observation made by the hon. member for Ottawa West. When you look at clause 7 the board may, under that clause, make rules without any reference to the governor in council with respect to the sittings of the board; with respect to matters having to do with the procedure in relation to applications, representations and complaints made to the board; the conduct of the hearings before the board; the manner and conduct of any business before the board. Likewise, in subclause (c), the board may make rules, again without reference to the governor in council, with regard to the division of work amongst the members, the assignment of hearings and so on. I suppose

that means, as the minister said the other night, amongst the various members of the board, and this was the argument he used, in part, for a five-man board as opposed to a three-man board. The clause refers to the assignment to members of the board of various responsibilities with regard to hearings.

Then, subclause (d) is so general as to be almost synonymous with the intent of the language in clause 89, that is to say, generally carrying on the work of the board, the management of its internal affairs, duties of its officers and employees. Now, what point is there in keeping clause 89 unless it is clear that the purposes intended and the objectives covered in that clause are different from the powers given for making regulations in the four cited clauses. It is conceivable that there may be a conflict between regulations drawn up by the board, either on its autonomous authority as provided for in clause 7 or after having received the approval of the governor in council. The governor in council may decide upon particular regulations and the board may decide upon another set of regulations, and there would be a conflict. There is nothing in this act, unless I am unmindful of the earlier provisions, which would give priority in law to those regulations drawn up under clause 89 by the governor in council.

It seems to us, in the absence of more precise information, that there could be no reason for this clause. Another objection to this clause, I believe, is that there is no limitation on the extent of time it may run. It could easily be argued by the governor in council that for the purpose of carrying out the provisions of this act the regulations must be not only those enacted by the governor in council at the beginning but regulations which the governor in council might, from time to time, in the long future enact. There is no limitation whatever. It could be argued by a cabinet that wanted so to argue that these regulations envisaged long after the act came into being, long after it was in operation, were necessary under the literal interpretation of this clause to enable the governor in council to carry out the purposes and provisions of the act.

I suggest to the minister that if there is no real reason for this provision, in the face of these other enabling clauses, this clause perhaps ought to be modified or dropped.

Mr. Churchill: I just say in reply, let us not overlook the fact that regulations made under this clause or indeed the other clauses, will be published in the *Canada Gazette* and tabled in the House of Commons. They can be scrutinized and I presume will be scrutinized with the same care with which my hon. friends have looked at the bill.

The second thing I should like to say is that two days ago my hon. friend asked me to consult the law officers of the crown with regard to a point which was quite as technical as is this one. On this occasion I have followed that advice. I have consulted with the law officer of the crown who incidentally drafted in 1955 the concessional clause which my hon. friend mentioned a little while ago in connection with the Defence Production Act and which was pressed upon the government of the day by an effective opposition and who has in turn drafted the concessional clause which appears before the house tonight conceded to by the government of the day under the pressure of a very effective opposition today. Having consulted him, I discover that this is a common provision and is usually associated with specific powers. If you look at section 5 of the Exportation of Power and Fluids and Importation of Gas Act you will find there the following:

> 5. The governor in council may make regulations for carrying into effect the purposes and provisions of this act—

There is the general clause. Then under former drafting that used to go on to read, "and without restricting the generality of the foregoing", and then listed specific matters. Under the present drafting methods, under very experienced guidance, the clauses have been separated and for the expressed purpose that the summary conviction penalties would not apply, they are not mentioned here. I am informed that the authorities are quite clear that a provision like this one is subject to all the other provisions of the act and subservient to it.

I think that this is an explanation of clause 89 which here appears separately and yet in other acts has been expressed like that with subclauses underneath it.

Mr. Martin (Essex East): I thank the minister for this explanation. On reflection I think he may be right. In so far as conflict is concerned the regulations passed by the governor in council would have a priority of position. As to this general power given to the governor in council with regard to making regulations which he says is to be found often in statutes, I wonder whether the minister will not agree that this particular kind of power given to the governor in council is not often found in legislation where in the body of the bill—that is to say in other bills—power is given either to the governor in council under certain contexts or to a board acting on its own to make regulations? Is it not a fact that one would not find in legislation generally a provision such as this, namely the provision in clause 89, that is only in cases where there was not a general

empowering in other sections of a bill to subsidiary bodies acting on their own or to bodies acting subject to the governor in council? I admit that this general language is often to be found in the statutes but I doubt whether it can be found in many statutes where a minor body has been given the wide powers given to the board in this bill in section 7.

Mr. Churchill: The hon. member is quite right when he says it is found in many statutes. I could give him another example to the one I quoted this afternoon, namely the Meat Inspection Act, chapter 36 of the statutes of 1955, section 5 of which reads as follows:

5. The governor in council may make regulations for carrying out the purposes and provisions of this act—

Then it goes on to list certain things under it. I think this is just a different method of drafting which I have already explained. It separates this general clause from some of the specific ones.

Mr. McIlraith: The point, Mr. Chairman, really is as to the conflict of authority to make regulations. This clause is undoubtedly in many other acts in the form in which it is found here but in such cases there is no other authority or power to make regulations. But here we have four other provisions for making regulations and by different authorities, namely by the board itself in one case or by the board with the approval of the governor in council. All we feared was that under this section the governor in council might come in conflict with the other authorities having power to make regulations. But in the face of the minister's explanation and in the face of it being clear that it does not appear to be his intention that the governor in council should be seeking to make regulations in any field that could come under the specific sections dealing with the power to make regulations, namely sections 7, 42, 85 and 88, I think perhaps there is nothing more I wish to say.

Clause agreed to.

On clause 90—*Her Majesty bound.*

Mr. Crestohl: I should like the minister to explain this odd section which reads as follows:

Her Majesty is bound by this act.

In his reply will the minister please address himself to one or two anomalies that I see. I refer now to clause 86 which speaks about penalties. Does clause 90 mean that the Queen is exposed to the penalties enumerated in clause 86 and would

[Mr. Martin (Essex East).]

that destroy the doctrine that the Queen can do no wrong? I think it is a matter which is a little bit unusual. It is a doctrine in Canada that we have certainly always lived up to. In this clause provision is made to bind Her Majesty by this act, which means that she would necessarily be bound by every section of the act and hence would be exposed to the penalties which the act declares are imposable on anyone who is in breach of the act.

Mr. Herridge: I just want to say that I was going to ask the minister exactly the same question as those that were asked by the hon. member for Cartier but I thought it was necessary for me to ask them as an ordinary countryman and layman. I am delighted to find that an hon. gentleman with legal experience is as befogged as I am and I shall await the minister's answer with interest.

Mr. Churchill: Under the Interpretation Act it is required that clauses like this one be inserted in order to make it apply to crown corporations. Hon. members will discover that in clause 101 the Northern Ontario Pipe Line Crown Corporation Act is referred to. Clause 86 having to do with penalties, the crown would not be subjected to the penalties outlined there.

Mr. Crestohl: I did not quite catch the reply which the minister gave. May I also ask him whether this clause 90 also eliminates the necessity for applying for a bill of rights or at least for—

Mr. Pickersgill: A petition of right.

Mr. Crestohl: —a petition of right in order to proceed against Her Majesty. We require to do that now. If she becomes an ordinary subject, will it still be necessary to apply for a petition of right to proceed against her?

Mr. Churchill: This has nothing to do with applying for a petition of rights. A crown corporation that is set up would come under the provisions of this act. My earlier explanation was that according to the Interpretation Act this clause is required in order to make the act apply to crown corporations.

Mr. Crestohl: Does the minister offer the opinion that the Queen is exposed to the penalties imposed by this act?

Mr. Churchill: I said no.

Mr. Crestohl: Then how is she bound by this act?

Mr. Churchill: A certificate of public convenience and necessity would be required by the crown corporation before it could operate a pipe line.

Mr. McIlraith: Mr. Chairman, I do not want to prolong the argument, but with deference to the minister the definition of the word "company" governs, and I do not think this clause includes the crown agency in that definition. Therefore the effect of it, as I see it, would be that the crown is bound, for instance, by the right given to a company to expropriate land. The crown would be found in that case, but if any pipe line owned by the crown was not incorporated by a special act it would not be required by this legislation to obtain a licence.

Mr. Churchill: I am informed that clause 25 (1) would apply in the instance the hon. member has drawn to our attention.

Mr. Pickersgill: May I ask the hon. minister if this will bind the crown in the right of a province?

Mr. Churchill: Yes, Mr. Chairman.

Mr. Pickersgill: What actual effect would that have? Could the minister explain?

Mr. Churchill: There is no difference in that case, in those circumstances.

Mr. Martin (Essex East): Except with respect to the matters in those clauses which the minister has kindly held over, where it was suggested on this side that there was a violation of the property and civil rights clause in the British North America Act. I understand the minister will report on that later on.

Clause agreed to.

On clause 91—*Report to parliament.*

Mr. McIlraith: I think this clause would permit an amendment which would provide for the tabling of the reports under clauses 22 and 23; that is, the studies and reports of the advisory board. Since we argued that case when those clauses were before the committee, perhaps it is unnecessary to repeat the arguments on this clause. I would merely content myself by asking the minister if he has considered our arguments made on the earlier clause about the minister being compelled to table the reports and studies under clause 22 (1), and if he is willing to provide for it under this clause.

Mr. Churchill: Mr. Chairman, we did give that serious consideration and discussed it at some length the other day and reached a decision with regard to it. I have nothing further to add to what was said then.

Clause agreed to.

Clause 92 agreed to.

On clause 93—*Commencement of act.*

Mr. McIlraith: I take it it is the minister's intention to proclaim the act as soon as it is through all stages and receives royal assent.

Mr. Churchill: Yes, Mr. Chairman, that is the intention.

Clause agreed to.

Clause 94 agreed to.

On clause 95—*Certain companies entitled to certificate.*

Mr. McIlraith: Mr. Chairman, on clause 95—

The Deputy Chairman: Order. Before the hon. member speaks on this clause I might ask the hon. members to please lower their voices. It is extremely hard to hear the hon. member who is speaking.

Mr. McIlraith: On clause 95, I just want to clear up a very small point. I take it it is purely a transitional clause and nothing in it takes away any of the existing rights or orders that are now outstanding and were issued by the board of transport commissioners? I take it that no one holding those orders will be compelled to reapply and to argue his case again?

Mr. Churchill: That is the whole purpose of clause 95, in order to protect the rights of companies now in existence and operating.

Mr. Martin (Essex East): Was that not already provided for by an earlier clause? I cannot put my hand on the clause, but I do recall that, the other night we dealt with a clause which seemingly covered part of this at any rate.

Mr. Churchill: I think the hon. member is referring to clause 25 (2), which deals with companies in existence and operating before the first day of October 1953.

Mr. Martin (Essex East): That is it? That is not the same as that provided in this clause?

Mr. Churchill: No, it is not the same.

Clause agreed to.

Clause 96 agreed to.

On clause 97—*Application of part IV.*

Mr. Herridge: Mr. Chairman, clause 97 reads as follows:

(1) Part IV of this act does not apply to any person who, on the day this act comes into force, is operating a pipe line, until the board so orders.

Mr. Chairman, as far as I can see this clause actually removes the tolls of common carriers or pipe lines from the regulations

under which they are at present. It does not make in my opinion too much sense as far as other oil pipe lines or gas pipe lines are concerned. I presume that this is designed to give the board time to set up its administrative machinery, but I suggest to the minister this proposition. Would not a better way to deal with the initial heavy work load be for the board to approve the rates on an interim basis and then review them later, at which time the rates could be suspended or otherwise be revised if the board found it necessary? In any event, the fact that the act, as I see it, will not come into force until it is proclaimed by the governor in council will give the board a considerable amount of time to establish its administrative machinery. It is because we view this clause from that angle, Mr. Chairman, that I want to move:

That clause 97 be amended by deleting subclause (1).

The Deputy Chairman: Is the house ready for the question?

Mr. Herridge: Has the minister any explanation to offer with regard to that clause in reply to our criticism of it?

Mr. Churchill: Clause 97 (1) refers back to part IV which deals with traffic tolls and tariffs. My hon. friend may be under the impression that the oil pipe lines now operating are subject to tolls but that is not so because they were not declared to be common carriers by the board of transport commissioners. If his amendment were adopted these companies would immediately be subjected to part IV and would immediately be in default. The intention here is to give a little time so that part IV will not become applicable to these companies now in existence until the board so orders.

Mr. McIlraith: I take it that the purpose of clause 97 (1) will at least go part way in meeting the difficulty about which I spoke on an earlier clause in the bill as to a company that is not and does not intend to operate as a common carrier being required to file its tariffs and tolls.

Mr. Herridge: In view of the minister's explanation, Mr. Chairman, have I the permission of the committee to withdraw my amendment?

The Chairman: Has the hon. member the unanimous consent of the committee to withdraw his amendment?

Some hon. Members: Agreed.

Clause agreed to.

[Mr. Herridge.]

On clause 98—*Pending applications.*

Mr. McIlraith: Can the minister tell us how many applications are now pending before the board of transport commissioners?

Mr. Churchill: There are, I believe, five applications or perhaps six before the board of transport commissioners.

Mr. McIlraith: Are those applications for leave to construct?

Mr. Churchill: Yes, they would be for leave to construct.

Clause agreed to.

Clauses 99 to 101 agreed to.

The Chairman: Shall we now revert to clause 27?

Some hon. Members: Agreed.

On clause 27—*Approval of board.*

Mr. Churchill: Mr. Chairman, clauses 27 and 29 were stood over at the request of the hon. member for Villeneuve in order that we might consider whether or not a clause should be written into this bill which appears in the Railway Act and which did not appear in the Pipe Lines Act. He wondered whether that was an inadvertent omission in the Pipe Lines Act and whether or not that clause should appear here.

My understanding is that under the Quebec civil code the minister of lands and forests furnishes each registry office with a plan accompanied by a book of reference showing each lot by number. Transaction may then take place by reference to these lots by number without further description. The book of reference referred to in this legislation, however, and in the Railway Act, is a different document and is intended only for expropriation proceedings under this legislation. No difficulty has been expressed in this regard under the Railway Act or the Pipe Lines Act.

With reference to subsection 7 of section 171 of the Railway Act, this provision which the hon. member drew to our attention was not included in the Pipe Lines Act. It was probably intended to provide for a special situation in Quebec but under the Pipe Lines Act and in this bill the plan, profile and book of reference must be prepared to the satisfaction of the board so that the board may meet special requirements or situations in all provinces.

The Railway Act does not have a provision like subclause 4 of clause 29 of this bill. Our conclusion, therefore, was that there was no need to put in any special clause such as that the hon. member was asking about.

Mr. Roberge: Mr. Chairman, I have looked at the record and read the remarks of the hon. member for Villeneuve. I also checked the civil code as did the minister. He read to us article 2166 of the civil code. Paragraph 3 of article 2168 of the civil code reads:

As soon as such plans and books of reference have been deposited and notice thereof has been given, notaries—

Of course the minister knows what notaries in Quebec are. I continue:

—passing acts concerning immovables indicated on such plan are bound to designate such immovables by the number given to them upon such plan and in the book of reference—

I take it that in Quebec the book of reference is more or less the act of birth of the land. The notaries go by that. If a property or part of one is sold or expropriated the description of that part of the property is in the book listed under the number given by the minister of lands and forests. Am I right in assuming that the words "book of reference" in this bill and in the Railway Act mean only the technical description of the land one wants to expropriate?

Mr. Churchill: Yes, the technical description is correct.

Clause agreed to.

On clause 29—*Plan, profile, book of reference.*

Mr. Robichaud: Would the minister give us an explanation?

Mr. Churchill: Clause 29 was held over for the same reason clause 27 was held over and the explanation is the same.

Mr. Roberge: And the reference is to the book of reference?

Mr. Churchill: Yes.

Clause agreed to.

The Chairman: We go now to clause 51 and the amendment thereto.

On clause 51—*Tolls to be approved.*

Mr. Churchill: Mr. Chairman, clause 51 was held over in order to consider an amendment proposed by the hon. member for Kootenay West. As the clause now stands a tariff would be effective without any action by the board. Under the proposed amendment it would be necessary for the board to approve the tariff before it became effective and there would have to be an application and a hearing.

The discussion on clause 55 referred also to clause 51 and the hon. member for Ottawa West asked what would be the position of a pipe line company that carried oil for only two or three companies and was not actually a common carrier. Under the bill the tariff provisions would apply but I think there would probably be little or no occasion for the application of the anti-discrimination and other rules respecting tariffs. Such a company would be inconvenienced if it had to make an application to the board and have a hearing before its tariffs could be effected. Under clause 51 as it stands such a company would simply file its tariffs and they would be effective unless the board took some action. We think the amendment will be ineffective for the reason I stated earlier, that there would have to be an application and a hearing.

The Deputy Chairman: Is the committee ready for the question on the amendment?

Amendment negatived: Yeas, 20; nays, 74.

The Deputy Chairman: I declare the amendment lost.

Clause agreed to.

On clause 54—*Suspension of tariff.*

Mr. Churchill: I asked that it stand. At that moment I was considering an amendment that had been placed in front of me. I have no amendment to suggest to clause 54.

Clause agreed to.

On clause 58—*Contracts limiting liability of company.*

Mr. Churchill: This clause was held until we had decided what to do with clause 51. The hon. member for Ottawa West pointed out that it would be necessary to determine 51 before 58 could be passed. We have now decided with regard to 51.

The Deputy Chairman: There is an amendment to clause 58. The Minister of Public Works moved:

That subclause (1) of clause 58 be amended by inserting the words "is included as a term or condition of its tariffs as filed or" after the word "notice" in line 32 on page 16.

Amendment agreed to.

Clause as amended agreed to.

On clause 61—*Tolls for transmission of gas.*

Mr. Churchill: This clause was held up at the special request of the hon. member for Vancouver East.

Mr. Winch: I still do not understand it.

Clause agreed to.

On clause 62—*Powers of company.*

Mr. Churchill: An amendment has been moved to this clause, but the hon. member for Essex East asked certain questions concerning clause 62 and also clause 66. The

first question was whether the expression "crown land" applied to provincial crown land, and he suggested that parliament would have no jurisdiction to deal with provincial crown lands.

The authorities are quite clear that parliament has jurisdiction to provide for the taking or expropriation of provincial crown lands. The whole of part V consists of company powers, which are carried forward from the present Pipe Lines Act. We did not make any changes that would reduce the powers the companies now have because that would, in effect, be retroactive legislation interfering with vested rights.

Whether the particular clauses in this bill do or do not apply to crown lands is a matter of interpretation and that is something for the courts to decide if any question should arise.

That is the explanation my hon. friend was asking for concerning clause 62 and clause 66. If my hon. friend is satisfied with that I have something to say with regard to the amendment which we ourselves moved.

Mr. Martin (Essex East): Yes.

Mr. Churchill: Will you read the amendment, please.

The Deputy Chairman: The Minister of Public Works moved:

That clause 62 be further amended by inserting (1) after the number "62" in line one on page 18 and by adding thereto the following subclause: "Lines for transmission of sulphur."

(2) for the purposes of this part the expression "pipe line" includes a line for the transmission of sulphur or sulphur compounds obtained from an oil or gas well, any product thereof, connecting a province with any other or others of the provinces or extending beyond the limits of a province.

Mr. Churchill: In connection with this there was some discussion the other night. I think, perhaps for clarification, I should add that this subclause confers powers under part V on companies operating an interprovincial pipe line for the transmission of sulphur. The objection made to this was that it would confer wide powers on many small companies. It should be pointed out that the amendment would apply only to a "company" as defined, namely a company incorporated by special act of the parliament of Canada operating an international or interprovincial pipe line for the transmission of gas or oil. Under the proposed amendment such a company would be able to exercise its powers in relation to a sulphur pipe line if it has one. The amendment would therefore apply only to those companies that already have these powers in relation to an oil or gas pipe line. The proposed amendment to clause 75, which is related to this, will ensure that the company will be subject to the same control in exercising its expropriation powers in relation to sulphur pipe lines as it is in relation to other pipe lines.

[Mr. Churchill.]

Amendment agreed to.

Clause as amended agreed to.

On clause 66—*Crown lands.*

Mr. Churchill: An explanation has been made with regard to the remarks of the hon. member for Essex East. An amendment will be moved by my colleague.

Mr. Green: Mr. Chairman, I move:

That clause 66 be amended by adding thereto the following subclause:
Exception.
(4) This section does not apply to anything done pursuant to leave obtained therefor under section 76.

Amendment agreed to.

Clause as amended agreed to.

On clause 75—*Expropriation provisions of Railway Act incorporated.*

The Deputy Chairman: There is an amendment to clause 75.

Mr. Robichaud: Was clause 75 allowed to stand on account of clause 76 which has to do with the same problems that will affect clause 75?

Mr. Churchill: Yes, that is correct, but there is also an amendment to clause 75.

Amendment agreed to.

Clause as amended agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Chevrier: Next sitting of the house.

Mr. Speaker: Next sitting of the house.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

FURTHER EXTENSION OF INCOME TAX RATE

The house resumed, from Wednesday, May 6, consideration of the motion of Mr. Fleming (Eglinton) for the second reading of Bill No. C-41, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, the legislation we are now discussing and which has been discussed before, on various occasions in this house, is the federal-provincial tax-sharing arrangements act.

Tonight, and before coming to the particular section mentioned in the bill, i.e. clause 12, I would like to deal to some extent with certain general principles connected with the sharing of taxes between the provinces and federal government.

The fiscal problem now existing between the federal government and the provinces, Mr. Speaker, is both very significant and very simple.

It is very significant because, it is a basic aspect of our constitution, and also because one of the main sources of financing the provincial and federal governments depends on its being solved.

The problem is also very simple to my mind, except for those who want to confuse the issue in order to be able to say later that it cannot be solved, at least for the present. There are also those perfectionists who agree to consider drastic and permanent solutions only. They should, however, realize that it is impossible to have such solutions accepted, and that their unbending attitude frequently remains sterile and prevents any gradual improvement, which very often is the only one possible.

All serious-minded people, who have made the effort to study those arrangements and to consider the over-all aspect of the matter will admit today that, according to our constitution, the federal and the provincial governments have concurrent rights in the field of direct taxation. There are not—though some people will maintain there are—any priority rights in this field; such rights, indeed, cannot exist without limitation, as otherwise they would lead up, through their exercise, to exclusive powers. In fact, if, for instance, the provinces had a right to some priority, or else, if they had a priority right to direct taxation, such priority would not necessarily stop at 50 per cent, nor at 75 per cent of that source of taxation; it could go as far as 100 per cent and, indeed, it would then become an exclusive right.

Our constitution therefore provides for concurrent rights in that field, and even if some of us wish that it be otherwise, I am convinced that this aspect of our constitution will not change in the near future. I am convinced, and the experience of the past proves it—the experience of the past is conclusive in that regard—that neither the federal government nor the provinces will agree to surrender the rights which the constitution recognize as being theirs in the field of direct taxation. Those who seek a solution of such a sweeping nature to the fiscal problem lack realism or sincerity. Contending to aim at perfection, as they see it, and which is impossible of achievement, they do not seek to achieve improvements which, indeed, would be possible.

Therefore, faced with those consequences and in presence of the situation as we find it today, we must accept, in a practical way, the existence of those concurrent rights. Such is, in my opinion, the basic fact at the root of the whole fiscal problem.

Another fundamental aspect of that matter is the fact that the federal government and the provinces will wish to go on exercising concurrent rights. Besides, the very exercise of those concurrent rights, without any limitation or corrective action, would end up in a double taxation pattern which would become excessive and would lead to unacceptable regional discrimination, in view of the highly different returns from direct income in the various provinces. Now, we know, by experience, that all Canadians, in every province, are opposed to double taxation which would result in adding unduly to the taxpayers' burden, but on the other hand, they support the steps taken by the federal government to equalize the yield of direct taxes as between the various provinces.

Out of this general desire of Canadians, there arise two basic considerations underlying any practical solution to the fiscal problem. In view of the fact, as I said earlier, that both the federal government and the provinces can be expected to continue exercising their concurrent rights in the field of direct taxes, there must be specific arrangements between both levels of government so as to mitigate, and if possible to avoid, the problems involved in double taxation. Furthermore, such arrangements should provide for a system of equalization payments as a means of equalizing the tax yield between the provinces, through a redistribution of tax revenues for the benefit of the less favoured provinces, so that such provinces too may face their constitutional responsibilities.

From these findings, Mr. Speaker, there arise two definite requirements. I should like to discuss both these requirements which, I think are of equal importance in this discussion. First, there must be fiscal arrangements as between the federal government and the provinces, to enable both levels of government to exercise their rights, while avoiding as much as possible the

serious problems involved in double taxation. Second, such fiscal arrangements must involve equalization payments, because otherwise, tax revenues will be neither fair nor equitable.

But there is more. I do not think it is possible, nor indeed desirable, that either the federal government or the provinces should accept a limitation in the exercise of their constitutional taxation rights. The sovereignty of those governments and the flexibility that is so necessary to a fiscal policy, especially in a federal state, are inconsistent with such limitation. But then, if fiscal arrangements should not be such as to limit taxation rights of both types of government, other than the limits already set out in our constitution, the only practical result that we could expect of such arrangements is the establishment of a reasonable area within which the provinces could exercise their taxation rights, while avoiding double taxation and an increased tax burden for the taxpayers.

It is in that way that the main purpose of the fiscal arrangements is to fix the limits within which double taxation will be avoided, but those arrangements should in no way limit the right for the exercise of this right by the parties concerned, that is, the provincial and federal governments.

I submit that all the basic requirements of an acceptable and practical solution of the taxation problem were met in the fiscal arrangements introduced under the government of the Right Hon. Mr. St. Laurent.

Those unquestionable merits were recognized by Mr. Drew himself when in 1956, speaking in the house, on the bill then before parliament, he said the following as found in *Hansard* of July 16, 1956, page 5993; I quote:

(Text):

—I wish to make it quite clear that the present formula has some merits in the acceptance of certain very important principles. As the minister pointed out, the proposal contemplates the continuance of a form of tax rental agreement, arrangements for federal collection of payments under those agreements, a tax equalization plan, a provincial stabilization fund which will protect municipalities against a severe drop in their revenues, and in turn an abatement in the federal taxation fields of personal income, corporation taxes and succession duties. The acceptance by the federal government of the place of the provinces and the right of the provinces in the field of income tax, corporation tax, succession duties and other direct taxes is, in itself, a welcome evidence of a return to the position which was always accepted without question over the years between 1867 and 1941, when the wartime tax agreements were signed.

(Translation):

Those were the words spoken by the leader of the opposition at the time. Even Mr. Duplessis who, you will agree, I am sure, Mr. Speaker, since you have a wealth of experience in politics, even Mr. Duplessis, who is not easily satisfied when making requests of others, stated at the end of the conference in March 1956 that the solution suggested by the federal government of the day was a great step in the right direction. However many of his followers in this house are still bitterly critical of the spirit and the substance of the arrangements then introduced. Criticism is easy, of course, especially when it is vague and when it is voiced from a particular standpoint. But I still have to hear in this house any of those hon. Conservative members from Quebec make a concrete proposal which stands the least chance of being accepted by the government concerned.

Mr. Speaker, they are opposed to the substance and to the very principle of the present arrangements. The Solicitor General (Mr. Balcer) stated in the house, on October 18, 1956, that he was still opposed to the subsidies derived from the present fiscal arrangements, and that the fiscal proposals which would be submitted by the Conservative government, during the conference held in November 1957, would have a basis quite different from the one on which was predicated the formula put forward by the Liberals. However, the province of Quebec is still receiving this year, in 1959, about $55 million from the federal government in the way of subsidies which the Solicitor General described as ultra vires when he sat on this side of the house, in the opposition.

As for the Conservative members from Quebec who were elected for the first time in March, on March 31, 1958, to be accurate, they must remember that during the last election campaign they bitterly denounced the present fiscal arrangements as recognizing the theft by the federal government of provincial taxation rights. They must also recall that they took the solemn undertaking to denounce these fiscal arrangements and to see to it that the constitution be complied with. They now have the opportunity to carry out their solemn pledge to the Quebec voters and they cannot do it any other way than by voting against this motion whose fundamental aim is to extend the very fiscal arrangements that they condemned, and to come up with another formula. I hope, Mr. Speaker that they will have the courage to carry out their solemn pledge.

Mr. Denis: They have the courage to stay behind the curtains.

Mr. Chevrier: During the last election, they set themselves up as champions of provincial autonomy which they promised to defend any time and anywhere. It was easy for them to make such statements in the province of Quebec during the last election. This is the place and now is the time for them to fight, here in parliament, on that bill now before us, and to show that they have the courage that befits honest and sincere people.

So far, in this debate, they have been conspicuous by their silence. We have heard but a single speech, very brief and very mild, by the hon. member for Quebec South (Mr. Flynn).

Is that how they mean to fight the great battle for autonomy? They will not always be able to escape their responsiblities by remaining silent. When the time comes for them to vote on the principle of this bill, I hope that they will not have the cowardice to leave the house as they did on that occasion that we all know about, and to abstain from voting. But then if they stay here, they will have to make a choice: either they will vote against the bill in order to keep their solemn pledge, or they will have to admit that they made a mistake before the last election and that thereby they have misled the voters of the province of Quebec.

Mr. Denis: Especially that.

Mr. Chevrier: Whatever the hon. Minister of National Revenue (Mr. Nowlan) may think, public life also requires the respect of the pledged word. Those hon. Conservative members from the province of Quebec might say, in self-defence, that they have not changed their position, but that they want to support this bill pending the introduction by this government of a better formula. It is in this way, for instance, that the hon. member for Bellechasse (Mr. Dorion) has justified here the new position he has taken on the matter of grants to universities.

However, such an attitude is not only wrong, it is unacceptable. To my mind, such an attitude cannot be countenanced, neither by us who are aware of the situation nor by those to whom promises were made. Mr. Speaker, when some legislation allegedly violates a country's constitution, when such arrangement is held to be an usurpation of provincial constitutional powers, when anybody states his opposition in principle to any bill, he cannot decently favour the legislation by merely waiting, under the pretext that in some hazy future, a more acceptable formula might turn up.

As a matter of fact, even that unjustifiable pretext cannot be advanced under the circumstances, because it is clear that the government is not attempting to improve fiscal arrangements in the manner indicated by Conservative members from Quebec before the last election. As a matter of fact, by failing, as we have tried to point out on many occasions on this side of the house, to call a real conference of premiers, which could take decisions in this matter, and by organizing a series of meetings of officials who cannot even discuss the true issues, because they have not enough authority to do so, the government reveals its desire to multiply delays, without seeking a new solution, so as to avoid too much embarrassment to certain provincial premiers.

It is indeed rather improbable, Mr. Speaker, that an entirely new solution can be found which would be acceptable to all the governments concerned, or even that fundamental aspects of the present fiscal arrangements might be improved, in view of the divergent interests and attitudes of the various provinces and the federal government. From the viewpoint of the provinces, the best way to improve those arrangements would, as I said a few moments ago, consist in widening the area within which provincial governments may apply their rights of direct taxation without resorting to double taxation. Besides, that is the kind of improvement that all provincial premiers did propose, except, of course, Mr. Duplessis, who proposed nothing definite at the conference of November 1957, which, as we all know, was adjourned after two days, and it is the kind of improvement that the federal government refuses, in spite of everything and everybody, notwithstanding the requests made from this side of the house, to reconvene the provinces in order to discuss and consider that matter.

As we know, the field within which the provinces may exercise their rights without imposing double taxation, amounted last year to 13 per cent of the personal income tax, to 9 per cent of profits, or about 24 per cent of the corporation federal tax and finally, to 50 per cent of federal estate tax. It should not be overlooked, however, and that is the important point, that the rate of 13 per cent on personal income tax does not change every year with the rate of the federal tax. Under present arrangements, it is 13 per cent of the federal tax, as determined in 1956, so that the field of taxation exclusively entrusted to the provinces increases as the federal tax decreases, but it decreases, on the other hand, as the federal tax increases.

During the 1957 election campaign the Conservative party promised to treat both the provinces and the municipalities with generosity. It pledged itself, on behalf of the federal government, to vacate a greater part of the direct taxation field, in order to allow the provinces to better utilize that source of income without increasing the total burden of taxation.

We recall that the arrangements, as set up by the Liberals, were on the basis of 10-9-50, but that the premier of Ontario, who claimed he was certain to obtain what he wanted if the Conservatives came into power in 1957, demanded a 15-15-50 arrangement. But what happened, Mr. Speaker? In January 1958, the Conservative government, facing a new election, took a very timid step in the direction it had promised to follow, and raised from 10 to 13 per cent the provincial share of the federal tax on personal incomes.

Today, the government puts forward a measure aimed merely at extending for a further year the arrangement made in 1958. That is the purpose of the amendment now before the house.

However, there is another angle to the situation, and it is one which should not be overlooked, because it does reveal the present government's true attitude on the problem of sharing direct taxes. Last year, as I said, the provinces received 13 per cent of the federal tax on personal incomes, in accordance with the figure set in 1956. On the other hand, the federal government this year increased the rate of its tax on personal incomes, and as a result will be receiving, on an annual basis, approximately $130 million more than last year. However, the share of the provinces remains the same, because it is still based on the year 1956. The upshot of all this is that in 1959-60, the federal government will be increasing its share of the tax on personal incomes over last year's figure and, as a result, the provinces will have to be satisfied with a much smaller share than last year in that field of taxation.

However, that is not all. It will be recalled that under the tax arrangements introduced by the Liberals, 9 per cent of corporation profits went to the provinces, while 38 per cent of those profits went to the federal government. The provincial share was therefore about 24 per cent of the federal share. The Conservatives made no change to that situation last year. This year, however, the federal government raised the tax on corporation profits by 3 points. Now, what does this mean? It means that the share granted exclusively to the provinces remains at 9 per cent of profits, whereas the federal government share is now raised to 41 per cent. The provincial share in this field, therefore, is now only 22 per cent of the federal share.

Before the 1958 election, the federal government had thus done something in favour of the provinces. But that like so many other things done by this government, was to a very large extent purely electoral and, once the election was over, the federal government quickly took to a course diametrically opposite to the one that it had solemnly pledged to follow.

I do say now—and the Minister of Finance (Mr. Fleming) himself will correct me if I am wrong—that the federal government will receive this year a larger proportion of the revenues from direct taxation than it would have received on the basis of the taxation rates established by the former federal administration.

It is true that we must not expect the Conservative government to do all it has pledged to do during its first years of administration. We already have heard that we should learn to wait. We should learn to be patient. But we have a right to ask, at least, that the government aim its policy in the direction that it has pledged to follow. Well, it is precisely the contrary that is happening now. Having pledged to aim its policy in this direction, the government follows another course. How can we trust a government that says one thing and acts differently? And, I might add, not only in the field of taxation, but in many other fields. How can the government be sincere in organizing meetings, the sole purpose of which can only be to give more room to the provinces in the field of direct taxation, when it decides, even before those meetings are held, to take a larger share in this field?

In fact, the new attitude of the federal government in the field of federal-provincial relations becomes increasingly clear since the budget speech of the Minister of Finance. As I have said earlier, the Minister of Finance has announced at that time that he would take from now on a larger share of the revenues from direct taxation. Such is the inevitable effect of the tax increases which were then decreed.

However, the Minister of Finance has gone further, he has decreed his own new formula. Here is a statement he made in a speech delivered at the Seigniory Club on May 26 last:

(Text):

One reason for bringing the budget this year into better balance was our desire to reduce the heavy pressure of new federal government borrowings on the bond market and on the interest rate structure and to leave more for essential financing by provincial and municipal governments and business.

(Translation):

In other words, Mr. Speaker, the Minister of Finance then stated that the federal government had decided to levy further taxes in order to allow municipalities and provinces to borrow more. Such is the new deal the Conservative government suggested to the provinces at that time. The government tells them: "Borrow,—borrow more; as for me, I shall tax". The government takes up more space in the taxation field so as to leave municipalities and provinces a wider range in the borrowing field. What it doesn't say, however, is that it is not costing the government any more to tax more, while thanks to its monetary policy, borrowing becomes every day more costly to the provinces and the municipalities.

As may be noted, Mr. Speaker, the election promises made by the Conservative party in the field of fiscal relations in 1957 and 1958 have been completely disallowed. The Conservative government, far from treating the provinces with more generosity than did the Liberals, as it had promised, takes over a greater share of direct taxation. It completely ignores the concrete proposals put forward by the majority of provincial premiers in November 1957. More than that, it even refuses to meet them again.

It is for all those reasons that the Conservative members from Quebec should now have the courage of their convictions and denounce such betrayal. They must do so, in the name of their principles; they must do so on account of the solemn pledge they made during the last federal election; they must do so for the sake of their electors to whom they gave that pledge, but they must do so also, and perhaps above all, on account of Mr. Duplessis, who is responsible for their presence here in the house.

(Text):

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker—

Mr. Speaker: Has the hon. member for Burnaby-Coquitlam (Mr. Regier) spoken before in this debate?

Mr. Regier: Yes, Mr. Speaker.

Mr. Chevrier: If I can get the attention of the house—

Mr. Fleming (Eglinton): Mr. Speaker—

Mr. Chevrier: Did the Minister of Finance (Mr. Fleming) want to say something?

Mr. Fleming (Eglinton): I was going to ask if the hon. member for Burnaby-Coquitlam was moving the adjournment of this debate?

Mr. Speaker: I asked the hon. member if he had spoken before in the debate. It seemed to me that he had spoken on May 6.

Mr. Martin (Essex East): Is my hon. friend speaking on this subject?

Mr. Fleming (Eglinton): Evidently I shall not have the opportunity tonight.

Mr. Speaker: We will deal with this matter when it comes up again.

FINANCE

STATEMENT ON RECENT TREASURY BILL ISSUE

Hon. Donald M. Fleming (Minister of Finance): May I ask the leave of the house to revert to motions for the purpose of making a brief announcement which I am prompted to make by reason of the interest in the subject expressed yesterday by the hon. Leader of the Opposition (Mr. Pearson) in a question he asked on orders of the day. I have very much pleasure, Mr. Speaker, in announcing to the house that—

Mr. Speaker: Has the hon. minister leave of the house to make the announcement?

Some hon. Members: Agreed.

Mr. Fleming (Eglinton): Mr. Speaker, the announcement—

Mr. Caron: No. Mr. Speaker, you asked for the permission of the house and I refuse to give my permission.

Mr. Fleming (Eglinton): In that event, Mr. Speaker, the announcement will simply have to be made outside the house. I was asked yesterday by the Leader of the Opposition to make an announcement on the subject in the house, and I am endeavouring to do that. If I am precluded from doing so, the nature of the announcement is such that it will have to be made now outside the house. It could not be made earlier, and therefore I am in that position. As the hon. member for Hull (Mr. Caron) is not prepared to accord me

permission to revert to motions for the purpose of making this very short announcement, then the announcement will have to be made outside the house. I am entirely in the hon. member's hands.

Mr. Chevrier: Mr. Speaker, may I ask for the unanimous consent on this side of the house to allow the announcement to be made?

Mr. Speaker: Under the circumstances, will the house give the minister leave to make the announcement?

Some hon. Members: Agreed.

Mr. Caron: I will still oppose it.

Mr. Fleming (Eglinton): Mr. Speaker, the announcement is brief. I have much pleasure in informing the house that on our invitation for tenders for one-year treasury bills which closed at five o'clock this afternoon the offering of up to $200 million has been very heavily oversubscribed. The full $200 million has accordingly been allotted. The average price is $94.780 and the equivalent yield 5.492 per cent.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, the house, of course, will be pleased at the acceptance of the minister's requirements, but it is obvious that there seems to be a very heavy discount with respect to price, and the effective rate is exceedingly high for the short term. I was wondering if the minister could inform the house whether or not these bills would be eligible for deposit by the commercial banks for the central bank for their reserve requirements, whereas the short term bonds which are offered for suggested conversion would not be so eligible for that deposit.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, we will look at the implications of the minister's announcement and we expect we will have a number of words to say on it at the time of interim supply. I should like to point out as a question of privilege that on May 6 last I entered the debate only on a point of order, and I did not in any way participate in the debate.

Mr. Benidickson: Mr. Speaker, I wonder if the Minister of Finance would reply to the question I raised as to whether or not the treasury bills would be allowed as reserves for the chartered banks unlike my understanding that the 2½ per cent 1959 bonds invited for conversion would not?

Mr. Fleming (Eglinton): Yes, Mr. Speaker.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire of the leader of the house what will be the business for tomorrow? I presume the house leader will realize that we have co-operated to the fullest extent today and got through with a great deal of business. I hope he will do likewise with us in the business he has to announce.

Mr. Green: Mr. Speaker, tomorrow we shall commence with interim supply and then take third reading of the national energy bill; following that, second reading of the Federal-Provincial Tax-Sharing Arrangements Act; then second reading of the act to amend the Bretton Woods Agreements Act; then item No. 17 on today's order paper, the resolution providing for additional judges; item No. 12, a resolution preceding an amendment affecting pensions for the Royal Canadian Mounted Police; item No. 11, a resolution concerning the Defence Services Pension Act and item No. 14, a resolution concerning the Canadian National Railways.

Mr. Martin (Essex East): We close tomorrow at six.

Mr. Green: I was hoping the hon. member would be away. On Thursday, unless third reading of the national energy bill has not been concluded, we will take estimates commencing with the estimates of the Department of Public Works, and then those of the Department of Fisheries.

Mr. Chevrier: May I presume on the house leader's good will and ask him if he would indicate what we will do on Monday.

Mr. Green: The intention is to take a one-day supply motion. This again is provided that the national energy bill has gone through.

Mr. Argue: With the vote at 8:15?

Mr. Green: That is the understanding.

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

ANSWERS TO QUESTIONS

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

NATIONAL MUSEUM—NON-CANADIAN SCIENTIFIC PERSONNEL

Question No. 251—**Mr. Argue:**

1. Have any of the scientific personnel employed at the national museum of Canada since 1935, not held British or Canadian citizenship at the time of their appointment?

2. If so, what were their names and the positions they held at the museum, in what country were they born and of what country were they citizens at the time of their appointment, for what period did each hold a position at the museum and for what reason was their employment terminated?

3. From what universities did each hold degrees, and what positions had each held prior to his or her employment by the national museum of Canada?

4. Were any of these appointments to the museum made through the usual civil service competition?

5. If so, which persons were so appointed, on what date, did the civil service competition take place, and of what country was each person a citizen at the time they made application for employment under this competition?

6. Were any of these appointments to the museum staff not made through the usual civil service competition?

7. If so, which persons were not so appointed, on whose recommendation and by what authority were they appointed, and on what date were they appointed?

8. Did any of the above personnel subsequently take out Canadian citizenship papers after their appointment to the museum staff?

9. If so, what persons did so, and on what date did they become Canadian or British citizens?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes.

2. (a) Asen Balikci, Anthropologist 2, Turkey, Turkey, October 29, 1954, to the present, N/A.

(b) Howard Alvin Crum, biologist 3, United States of America, United States of America, September 20, 1954, to the present, N/A.

(c) Wann Langston, Jr., biologist 3, United States of America, United States of America, October 20, 1954, to the present, N/A.

(d) Richard Stockton MacNeish, biologist 5, (senior archaeologist) United States of America, United States of America, June 20, 1949, to the present, N/A.

(e) Lawrence Oschinsky, anthropologist 2, United States of America, United States of America, September 1, 1958, to the present, N/A.

3. (a) Mr. Balikci, B.PH., Academie de Grenoble, L.Sc., University of Geneva, B.L.S., University of Ottawa, member of various ethnographic expeditions to North Africa.

Questions

(b) Dr. Crum, B.S. Western Michigan University, N.S., University of Michigan, Ph.D., University of Michigan, Instructor, Western Michigan University, Teaching Fellow, University of Michigan, Research biologist and acting assistant professor of botany, Leland Stanford Jr. University, assistant professor of botany, University of Louisville, Ky.

(3) Dr. Langston, B.S. University of Oklahoma, M.S. University of Oklahoma, Ph.D., University of California, Instructor in geology, Texas Technological College, Lubbock, Lecturer, department of paleontology, University of California, in charge of laboratory of Paleontology, University of California.

(d) Dr. MacNeish, B.A. University of Chicago, M.A. University of Chicago, Ph.D., University of Chicago, District supervisor, museum project, works progress administration, archeological supervisor, Illinois state museum, archeological supervisor and fellow, University of Michigan, Director, archeological field school, University of Kentucky.

(e) Dr. Oschinsky—B.A. Brooklyn College, M.A. University of Chicago, Ph.D., University of Zurich, Lecturer in anatomy, Makerere College medical school, Kampala, Uganda, British East Africa, Instructor in physical anthropology, graduate school of medicine, University of Pennsylvania, Instructor in anatomy, Howard University medical school, Washington, D.C. Visiting lecturer in physical anthropology, University of Arizona.

4. Yes.

5. (a) Mr. Balikci; August 17, 1955; Turkey. (b) Dr. Crum; February 23, 1954; United States of America. (c) Dr. Langston; April 20, 1954; United States of America. (d) Dr. MacNeish; April 23, 1949; United States of America. (e) Dr. Oschinsky; May 23, 1958; United States of America.

6. No.

7. N/A.

8. No, but each one subscribed to the oath of office required by civil servants of Canada.

9. N/A.

DR. RICHARD S. MACNEISH—POSITIONS HELD

Question No. 285—**Mr. Argue:**

1. What position does Dr. Richard S. MacNeish now hold at the national museum of Canada?

2. What positions has he held at the museum since he was first appointed, on what date did he take up each, and by what authority was he appointed to each?

3. Was a civil service competition held for any of these appointments?

4. If so, for which ones?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Biologist 5—in charge of archaeology section.

Questions

2. Anthropologist grade 3; appointed June 6, 1949; authority civil service certificate dated July 8, 1949.

Anthropologist grade 4; effective January 1, 1953; authority civil service certificate dated March 31, 1955 (promotion).

Anthropologist grade 6; effective April 1, 1955; authority civil service certificate dated May 31, 1955 (promotion).

Biologist 4; effective April 1, 1955; authority civil service certificate dated March 13, 1957 (promotion).

Biologist 5; effective April 1, 1958; authority civil service certificate dated June 27, 1958 (promotion).

3. and 4. Yes. Original appointment as anthropologist 3 was made through civil service commission competition.

HOUSE OF COMMONS

Wednesday, June 3, 1959

The house met at 2.30 p.m.

STARRED QUESTIONS

BOARD OF REFEREES CHAIRMAN, UNEMPLOYMENT INSURANCE COMMISSION, TORONTO

Question No. 88—**Mr. Hellyer:**

1. Has the chairman of the board of referees of the unemployment insurance commission at Toronto been relieved of his duties?
2. If so, what was the reason for his dismissal?

Hon. Michael Starr (Minister of Labour): Mr. Speaker there are five chairmen of the board of referees in the city of Toronto. If the hon. member will be good enough to submit the name of the referee to whom he refers, we shall then be in a position to answer the question.

Mr. Speaker: Stand.

Question stands.

R.C.M.P. PENSION PAYMENTS SINCE 1945

Question No. 95—**Mr. Howard:**

On January 1, 1945 and for the same date of each subsequent year how many, if any, former Royal Canadian Mounted Police were receiving pensions under (a) part 2; (b) part 3; (c) part 5, of the Royal Canadian Mounted Police Act, and of these, how many recipients pursuant to part 3 were covered by the provisions of part 4?

R.C.M.P. WIDOWS' AND CHILDREN'S PENSION PAYMENTS SINCE 1945

Question No. 96—**Mr. Howard:**

On January 1, 1945 and for the same date of each subsequent year, how many (a) widows; (b) children, of former Royal Canadian Mounted Police were receiving pensions under (i) part 2; (ii) part 4; (iii) part 5, of the Royal Canadian Mounted Police Act?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I wonder whether by leave of the house I might deal with Nos. 95 and 96 together. On Wednesday last the hon. member asked three somewhat similar questions, to which I gave answers. At that time I expressed a reservation as to whether or not it was appropriate that these questions involving long statistical answers should be asked at this stage of our proceedings. However, these two questions call for answers which will complete the information requested and therefore, subject to the same reservation, I would be glad if I might have permission to table the answers, which are purely statistical, so they could appear in *Hansard* at this point.

Mr. Speaker: I take it the minister would like to have them printed in *Hansard* at this point?

Mr. Fulton: Yes.

Mr. Speaker: Is it agreeable to hon. members that the answers be printed in *Hansard* at this point?

Some hon. Members: Agreed.

[*Editor's note: The answers referred to above are as follows*]

95.

Jan. 1st	(a) Part 2	(b) Part 3	(c) Part 5	Recipients pursuant to part 3 covered by the provisions of part 4
1945	64	396	NIL	1
1946	75	465	NIL	2
1947	93	561	NIL	7
1948	97	655	NIL	10
1949	97	723	NIL	16
1950	98	779	NIL	27
1951	101	864	NIL	30
1952	102	884	5	39
1953	103	997	15	52
1954	106	1095	21	61
1955	106	1148	31	75
1956	99	1205	41	83
1957	94	1250	55	103
1958	93	1278	65	132
1959	92	1329	81	134

Starred Questions

96.

Jan. 1st	(i) Part 2 R.C.M.P. Act (a) Widows	(b) Children	(ii) Part 4 R.C.M.P. Act (a) Widows	(b) Children	(iii) Part 5 R.C.M.P. Act (a) Widows	(b) Children
1945	35	5	1	5	NIL	NIL
1946	37	6	4	7	NIL	NIL
1947	36	4	7	9	NIL	NIL
1948	39	7	11	13	NIL	NIL
1949	41	5	12	13	NIL	NIL
1950	42	4	12	13	NIL	NIL
1951	42	2	16	17	1	NIL
1952	39	2	19	15	5	4
1953	40	2	23	18	5	4
1954	40	4	25	18	9	9
1955	42	4	29	25	12	12
1956	48	4	32	25	16	15
1957	54	7	35	34	14	14
1958	55	7	41	40	15	17
1959	59	6	41	37	15	17

ATLANTIC PROVINCES SHARE OF DEFENCE EXPENDITURES

Question No. 98—**Mr. Pickersgill:**

1. Have any steps been taken since March 31, 1958, to place a more equitable share of defence contract expenditures within the Atlantic provinces?
2. If so, what are those steps, and what has been their effect?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, the answer to the first part of this question is yes, steps have been taken since March 31, 1958 to place a more equitable share of defence contract expenditures within the Atlantic provinces. The answer to the second question, describing these steps and their effect, involves a fairly extended explanation which I had planned to give when the estimates of my department were dealt with in committee. However, since the hon. member for Bonavista-Twillingate has chosen to raise this matter I am quite prepared to deal with it now or, if it is agreeable to the house, to have the answer printed in *Hansard*.

Mr. Pickersgill: I suggest that the answer be read.

Mr. Speaker: I take it this is a rather extensive answer, is it?

Mr. O'Hurley: Yes, Mr. Speaker.

Mr. Speaker: I suggest to the hon. member that perhaps the answer is longer than is contemplated by the rules, and that if he would permit, it be printed in *Hansard*.

Mr. Pickersgill: I would be quite agreeable, sir.

[*Editor's note: The answer referred to above is as follows*]

The member for Bonavista-Twillingate may recall that when he raised a similar question in the estimates committee last July, I informed him that the matter was under study but there had been no over-all change in departmental procedure. I can now add to this that there is unlikely to be any over-all change in our procedures, but we have found it possible within the existing system to improve the Atlantic provinces' share of defence contract expenditure.

My department continues to rely, wherever possible, on country wide competition to obtain the best value for the money spent and to provide an opportunity for all competent and interested Canadian suppliers to compete for defence supplies. There is no policy of discrimination either in favour of or against any particular area. Suppliers in the Atlantic provinces are given no more than an equal opportunity to compete for orders awarded on this basis, but may enjoy a transportation advantage in cases where delivery is required to the large supply depots at Halifax and Moncton.

Other types of requirements, for which competitive tendering is not practical, involve some degree of allocation, and in respect of some of these it has been possible to give special attention to the capabilities of the region. The outstanding example of this is to be found in the field of shipbuilding and ship repairing. One of the six destroyer escorts in the new program will be built in the region, and in addition the bulk of the ship repairing contracts awarded since March 31, 1958 have gone to yards in the Atlantic provinces. These awards, of course, are made on the recommendation of the Canadian maritime commission.

Regional facilities have also been considered carefully in the award of contracts for repair and overhaul of service equipment.

For example, all airframe repair and overhaul for aircraft operating in the Atlantic region is performed by regional firms, except in the case of Argus aircraft, where a modification program is involved requiring the use of the manufacturer's facilities. It must also be recognized that a number of our large prime contractors have subcontracted to Atlantic province firms, with the approval of my department. More recently, in connection with the production sharing program, we have been drawing the resources of the region to the attention of United States contractors and will continue to do so.

A substantial portion of our procurement of general supplies and services is undertaken by the 14 district offices of the department, three of which are situated in the Atlantic provinces. During the past year or two we have placed greater emphasis on the use by these offices of local sources of supply, with the result that the great bulk of their orders are now placed with firms within the Atlantic region. The value of district office purchases within the region reached an all-time high, in the last fiscal year, of over $15 million, compared with $13.6 million in the previous year. I might add that expenditures on all other procurement contracts with firms in the region amounted to $21.8 million, compared with $16.4 million in the previous year. Expenditures on procurement in the Atlantic provinces have therefore shown a general increase of more than 20 per cent in the past year, although total procurement expenditures by the department fell by 6 per cent over the same period.

Defence construction expenditures are additional to all this. It will be appreciated that the geographic impact of construction spending is governed essentially by the location of the works involved. Because of the number of defence establishments within the Atlantic provinces, a sizeable proportion of our construction and maintenance activity continues to take place within that region. Since March 31, 1958 contracts awarded for construction and maintenance in the Atlantic provinces have amounted to $22½ million, representing more than 22 per cent of the total awards for the period.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FORT WILLIAM-PORT ARTHUR—FEDERAL-ONTARIO PARTNERSHIP

Question No. 431—**Mr. Badanai:**

1. Is the Ontario government in partnership with the federal government to make the ports of Fort William and Port Arthur the finest on lake Superior?

2. If so, what contributions have been made so far by the Frost government?

3. What are the arrangements with the Ontario government on sharing with the federal government in the foreseeable future?

PUBLIC SERVICE—U.S. EMPLOYEES

Question No. 441—**Mr. Argue:**

1. Are any American citizens presently employed in any capacity in any branch of the Department of (a) External Affairs; (b) Citizenship and Immigration; (c) Justice; (d) Trade and Commerce; (e) Transport? If so, how many?

2. What is the name of each of these persons, the branch of the department in which he is employed, the position each holds, and the duties for which each is responsible?

3. What was the date each person was appointed to this position, and by what authority?

4. Have any of these persons taken the (a) oath of allegiance; (b) the oath of office?

5. If so, which ones, on what date, and what was their position at that time?

6. On what date did each of these persons first enter the service of the government of Canada, what date did they take up subsequent positions, what was the nature of each position, the duties involved, and under what authority were appointments made to each position?

7. How long had each person been a resident of Canada before taking service with the government, what positions had each held prior to first appointment?

PUBLIC SERVICE—ORDER IN COUNCIL—TREASURY BOARD MINUTE APPOINTMENTS

Question No. 442—**Mr. Argue:**

1. How many appointments to the Department of (a) External Affairs; (b) Citizenship and Immigration; (c) Justice; (d) Trade and Commerce; (e) Transport, have been made in each branch in each year since 1950 by order in council or treasury board minute?

2. What was the name of each person so appointed, the date, the position, the duties for which each was responsible and the authority under which appointment was made?

3. In what country was each of these persons born, and what citizenship did each hold at the time of appointment?

4. Were any of these positions (a) at the policy making level; (b) of officer status?

5. If so, which ones?

PUBLIC SERVICE—U.S. PERSONNEL STATUS

Question No. 443—**Mr. Argue:**

1. Are any of the positions which American citizens presently hold or have held, in any branch of the Department of (a) External Affairs; (b) Citizenship and Immigration; (c) Justice; (d) Trade and Commerce; (e) Transport, (i) at the policy making level; (ii) of officer status?

2. If so, (a) what is the name of the person in each case; (b) the position so designated, the duties for which each is responsible, and the branch and department?

FEDERAL CONTRACTS, LASALLE ENGINEERING, MONTREAL

Question No. 446—**Mr. Argue:**

1. Has any federal government department entered into any contracts with the La Salle Engineering Company of Montreal since January 1, 1954?

2. If so, what was the date of each contract, the nature and purpose of each, and the value?

Inquiries of the Ministry

3. Who are the officers and directors of this company?

4. Are any of the officers and directors of this company associated in any way with other commercial enterprises?

5. If so, which persons, with what companies, and in what position?

JEAN FOURNIER

Question No. 451—**Mr. Bourget:**

1. Is the government of Canada or any of its agencies, paying to Mr. Jean Fournier, of Montreal, publicist and agent, any salary, remuneration, fees or other sums of money?

2. If so, through what department, board, commission, corporation, etc., is such payment made?

3. What is the nature of his work, and on what date did he assume his duties?

4. What annual amounts have been so paid to Mr. Fournier during 1958 and from January 1, to May 31, 1959?

MOTION FOR PAPERS

NATIONAL ENERGY BOARD

Motion No. 118—**Mr. Argue:**

For a copy of all correspondence, telegrams, reports and other documents, exchanged between the federal government and each of the provincial governments since January 1, 1957, regarding the establishment of a national energy board and/or federal policy in the energy field.

Motion agreed to.

HOUSE OF COMMONS

ALLEGED INTERFERENCE BY HOUSE LEADER WITH COMMITTEE MEETINGS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the house leader, and ask him if it is a fact that the house leader has interfered with meetings of the committee on mines and forests. I have had shown to me the minutes of yesterday's meeting, a portion of which read as follows:

Upon instructions from the house leader—

Mr. Fulton: On a point of order, Mr. Speaker—

Mr. Chevrier:

—the meeting is adjourned because the members are required in the house.

Mr. Speaker: Will the hon. member allow me to hear the point of order?

Mr. Fulton: I am not aware as to whether or not this committee has yet reported to the house. Perhaps it has, although I do not believe that it has. If it has not, then I believe I am correct in saying it is out of order to refer to its proceedings at this stage.

Mr. Chevrier: On the point of order, Mr. Speaker, the question is not whether or not the committee has presented its report; the question is whether or not instructions were given to a committee to have the members come into the house, contrary to the discussion which we had yesterday. The question I ask is this. Did the minister, in accordance with the minutes of the meeting, give instructions to the chairman to adjourn the meeting because the members were required in the house at that time?

Hon. Howard C. Green (Minister of Public Works): The answer to that question is no. At one stage yesterday afternoon we needed reinforcements and I gave instructions to the whip to round up members wherever he could get them. It may be that that is how this question came up.

FINANCE

CAPE BRETON—REPOSSESSION OF HOUSEHOLD ESSENTIALS BY LOAN COMPANIES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Finance arising out of a further telegram I have received from Mr. William H. Marsh, president of district 26, united mine workers of America and in which he says that Industrial Acceptance Corporation and Trader's Finance Company are the companies in question that have been seizing household articles of unemployed workers in Cape Breton. My question to the minister is this. Will the minister inquire into the situation? Will the minister consider the facts? Will the government consider taking appropriate action?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think the hon. gentleman is already aware, from the conversations that have been held today, of the fact that no company under federal jurisdiction is involved in the complaints that have been made by Mr. Marsh. No licensed lender under federal jurisdiction is involved. The two companies he has mentioned and whose names were mentioned in the course of the inquiry today are companies which are engaged in the business of instalment sales financing and are not under federal jurisdiction.

Mr. Argue: In the light of the facts I have brought to the minister's attention, will the government give consideration to introducing legislation to bring such companies under federal jurisdiction in the same way that small loans companies are now dealt with?

Mr. Fleming (Eglinton): It is obvious that the question raises serious constitutional questions. I think the hon. gentleman's question should be directed to the provincial authorities.

Mr. Argue: Mr. Speaker, if I may I should like to ask a supplementary question. Is the Minister of Finance aware of the fact that the deputy minister of justice a few years ago gave it as his opinion that the federal government could have jurisdiction in this field by passing appropriate legislation?

Mr. Fleming (Eglinton): No, Mr. Speaker; I am not aware of that.

Mr. Argue: You were a member of the committee.

Mr. Speaker: Order.

Mr. Fleming (Eglinton): Having been a member of the committee, I think I would want to have something more than my hon. friend's reference to a legal opinion on an important question given from his recollection of some years ago before basing any statement on it in the House of Commons, if he will permit me to say so.

Mr. Argue: Mr. Speaker, I shall be glad to send the minister evidence of what I have just said.

INQUIRIES FOR RETURNS

CHIPPEWA INDIAN RESERVE, SARNIA—LAND DISPOSAL—SALE OF LAND

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Can the minister say when the papers respecting the sale of part of the Chippewa reserve at Sarnia will be available?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, when this order was passed I told the hon. member that it would take some time to procure copies of those papers. It is quite a voluminous file. I think it will be at least another two weeks.

Mr. Hellyer: Can the minister say when the contract of Dimensional Investments Limited for the purchase of part of the said lands will be tabled?

Mrs. Fairclough: Mr. Speaker, I think that contract could be secured before the other papers. I will look into the matter.

PUBLIC BUILDINGS

OTTAWA—DEMOLITION OF BUILDING TO PROVIDE PARKING AREA

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct to the Minister of Public Works a question of which I regret not having sent him notice. If notice is required, perhaps the minister could take this as notice. Has the Minister of Public Works noted the report in the press that the old Free Press building formerly occupied by the film board in Ottawa is being demolished in order to make a parking area for the Bank of Canada? If this is so, this being in a high rent area of Ottawa, will the Minister of Public Works inform the house how much it cost for acquisition and demolition of the building, and also the cost of establishing a parking area?

Mr. Speaker: I would suggest that the hon. member put the question on the order paper, as it is asking for statistical information which cannot be given offhand.

Mr. Winch: The question is based on a report in the press yesterday.

[*Later:*]

Mr. Winch: Mr. Speaker, may I ask a question of the Minister of Public Works, and I am keeping in mind what you said. Are press reports correct that the old Free Press building in Ottawa is being torn down to make way for a parking lot for the Bank of Canada?

Mr. Speaker: The hon. member in his second attempt does not seem to have got much further, because he is simply asking for verification of a press report; and if he refers to Beauchesne he will see it is not the type of question which is in order on orders of the day.

Mr. Winch: Then may I ask the minister if it is correct that the old Free Press building is being torn down to make a parking lot for the Bank of Canada?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the hon. member certainly deserves full marks for his persistence. I will be very glad to make inquiries.

Mr. Winch: The minister also deserves full marks.

ST. LAWRENCE SEAWAY

WELLAND CANAL—REPORTED PROTESTS RESPECTING IMPOSITION OF TOLLS

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. In view of two strong protests from Premier Frost of Ontario, followed by those of Hon. Charles Daley and others, that tolls on the Welland ship canal have made lake Ontario a toll-locked lake and have created a ridiculous

distortion in the pattern of costs of moving commodities to lake Ontario destinations, could the minister say whether he himself has taken up the matter with the cabinet, as he is reported to have promised last Saturday at Port Weller, and can we anticipate an early announcement with regard to this matter?

Mr. Speaker: Order. I do not want to limit questions unduly, but it seems to me that the hon. member is asking about a matter concerning meetings of the cabinet, which are confidential and privileged; it is not a matter which can be asked about in the house. Beyond that, the question raises a matter of policy which is hardly appropriate to be dealt with at this time.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I be allowed to intervene and point out to you that the matter is of importance and urgency in the constituency of Welland. The point has arisen because of representations which are alleged to have been made and which the Minister of Trade and Commerce stated, at a public meeting which took place less than two days ago, that he too would make. It does seem to me that the hon. member is in order in asking the minister what he nas done about it. That is in effect the purport of the question.

Mr. Speaker: Unfortunately that was not the question asked. I am sure the hon. member could phrase a question on that subject which would be in order, but as it is expressed at the moment it cannot be accepted.

Mr. Chevrier: Then may I direct a supplementary question to the Minister of Trade and Commerce and ask him if, following the representations which he is alleged to have received when he was addressing the meeting recently, he has protested the imposition of tolls on the Welland canal, and whether he did carry these representations further and made them to his colleagues?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, that is a highly involved and tortuous supplementary question. I hope the hon. member for Laurier will get the facts straight before he asks another question.

[*Later:*]

Mr. W. H. McMillan: I wish to address a question to the Minister of Trade and Commerce. Did the minister receive representations against tolls on the Welland canal last Saturday at Port Weller?

Mr. Churchill: The answer is no.

[Mr. McMillan.]

(Translation):

AGRICULTURE

MILK—SUPPLEMENTARY PAYMENTS ON SHIPMENTS TO MONTREAL

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to direct a question to the Minister of Agriculture.

As a result of a statement made recently by the Minister of Agriculture regarding the Agricultural Stabilization Act, there is some confusion among milk producers. Here is my question: If a producer ships milk or cream to a retailer in Montreal or in any other city, is he eligible for a deficiency payment? If not, why should he keep shipping his milk to that retailer if he can get a deficiency payment of 25 cents per hundred pounds by sending it to a milk powder, butter or cheese manufacturer?

(Text):

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, to begin with there is no such thing as a deficiency payment as far as milk is concerned. There is a payment, a flat payment which is not a deficiency payment, of 25 cents per 100 pounds of whole milk delivered for manufacturing purposes.

The situation essentially is this. A man who is delivering cream for butter making is in exactly the same position as he was during the year previous to May 1 of this year, and should be receiving exactly the same price. The milk producer who is delivering fluid milk for consumption and who is thus receiving the fluid milk price, which runs from 75 to 100 per cent more than the price for manufacturing milk, is not eligible to receive the 25 cents per 100 pounds payment. Producers who deliver their milk for manufacturing purposes are eligible, however, for this payment of 25 cents per 100 pounds of whole milk delivered.

TRANSPORT

GREAT SLAVE LAKE—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION OF RAILWAY

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): I wonder if the Prime Minister is now prepared to answer the question I asked on Monday, and again on Tuesday, with regard to the extension of the railway to Great Slave lake.

Right Hon. J. G. Diefenbaker (Prime Minister): The question of Monday and Tuesday will be answered on Thursday.

SUPPLY

The house in committee of supply, Mr. Rea in the chair.

INTERIM SUPPLY

Mr. Fleming (Eglinton) moved:

That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1960, the sum of $634,617,069.94 be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this day in the committee of supply.

That a sum not exceeding $634,617,069.94 being the aggregate of

(a) one-sixth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1960, laid before the House of Commons at the present session of parlament, $606,770,511.84;

(b) seven-twelfths of the total of the amounts of items 66 and 102 of the said estimates; $350,000.00;

(c) one-third of the total of the amounts of items 136 and 263 of the said estimates; $824,276.67;

(d) one-sixth of the total of the amounts of items 25, 133 and 358 of the said estimates, $1,492,983.34;

(e) one-twelfth of the total of the amounts of items 6, 27, 161, 190, 191, 192, 194, 196, 200, 204, 205, 210 and 282 of the said estimates, $5,090,992.42;

(f) one-sixth of the total of the amounts set forth in the supplementary estimates for the fiscal year ending March 31, 1960, laid before the House of Commons at the present session of parliament, $20,088,305.67;

be granted to Her Majesty on account of the fiscal year ending March 31, 1960.

He said: The aggregate of the various sums which I am now asking the committee to vote by way of interim supply is $634,617,069.94.

The committee will recall that one previous vote of interim supply has been made in respect to the present fiscal year in the amount of $616,654,878.69, to provide for the expenses of government for the first two months of the fiscal year. The proportion of nearly all the items voted on that occasion was, accordingly, one-sixth. There were, however, 12 items of a rather special nature for which additional proportions were then voted.

In the present resolution the committee is asked to vote an additional one-sixth of all items, both in the main estimates and the supplementary estimates, plus additional fractions in respect of 20 items. These 20 items are, of course, of a special or seasonal nature in so far as the programs to which they relate are affected. As to those 20 items, the additional proportions vary according to the nature of the program. The maximum which will be voted, if this present resolution carries, will, in the case of no item, exceed eleven-twelfths, and there are only two items in respect of which the vote proposed today will bring the proportion appropriated to that fraction of eleven-twelfths. They are items 66 and 102. The committee accordingly retains its full right to discuss and debate all items in the estimates.

I give also, Mr. Chairman, the time-honoured undertaking that the passage of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when it comes up for consideration in committee of supply, and that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure. That undertaking, Mr. Chairman, is given, if I may remind the committee, for the purpose of avoiding duplication of debate. What is expressly acknowledged in this way protects the rights of hon. members to discuss every item when it comes up in due course in committee of supply.

Mr. Benidickson: Mr. Chairman, I am sure the Minister of Finance and the committee, too, will be gratified to hear me say that my remarks will be brief. As far as I know, although each individual member has considerable rights under this particular resolution the official opposition, certainly through me, is not launching any major debate at this stage. We recognize that while three departments of the government have already passed through the committee of supply, it happens that in the supplementary estimates there are items with respect to each of those departments and very shortly we shall be discussing all the other departments in committee of supply. Therefore, as I say, we are not taking advantage of this motion to launch a debate which might be in the nature of a duplication. We want to facilitate the processes of the house in that way.

As the minister has stated, Mr. Chairman, there are one or two items that provide for more than four-twelfths of the appropriation in the book of estimates. There are just one or two on which I should like a little more information. I was wondering about item 66. As the minister has stated, we are here providing eleven-twelfths of the year's appropriation for the item with respect to additional service to the Indians of British Columbia. I wondered whether the minister would just put on the record a little more information in that respect. Then I would be a little curious about item 358. It is the public works item, general. The reason is that it seems early in the season to be asking for more than a normal advance on this item because it is entitled, "Balances re building projects undertaken in previous fiscal years for which no specific provision is made in

fiscal year 1959-60." I wonder whether the minister would just give us the detail on this item.

While we are getting reminders of the items that we have to make appropriation for in stages, I think none the less all of us recognize that even these fractions are for very considerable sums. We see now why the supplementary estimates were introduced the other day. It makes it possible for the minister also to obtain one-sixth of each of the items in the $120 million of supplementaries. But when we compare the first supplementaries of this year with those of last year, we are comparing $120 million with $58 million. This means an increase of $62 million in the first stage of the supplementaries, and we all know that when we compare the main estimates of this year with those of last year they show an increase of $416 million. Therefore when we take these two first stages of appropriations through the estimates we can see that as of this short period of time in the new year we have an increase of $478 million in over-all expenditures.

Mr. Regier: Mr. Chairman, I realize it is usual to have a rather limited debate take place at the resolution stage having to do with interim supply. However, we are unable to ignore the fact that the minister is asking for a little in excess of half a billion dollars to be voted.

We have a matter which in our opinion is rather urgent at this time. For years now it has been the habit of the house to delay the estimates of the Minister of Finance until very near the end of the session. Since the interim supply bill has to do at least in a measure with the estimates of the Minister of Finance, including the estimate providing for the administrative expenses of the department he heads, I feel that I have to raise a matter that we consider of urgent national public importance at this time. It has to do with the policies now being pursued by the minister in regard to the management of the debt of the government of Canada.

I would like immediately to express our understanding of and our sympathy with the problems of the minister. This year he has to raise on the money markets on behalf of the government of Canada by way of loans an amount in excess of $2,000 million. This is a very large amount for any year excepting a year of war. We realize what are the minister's responsibilities. In the first place, he has to get the people of Canada or elsewhere to express enough confidence in the government to lend him another $2,000 million in this one year. He also has to assure the Canadian economy that its credit needs are going to be met. He has to assure that out of the available investment money, in addition to the $2,000 million that he himself needs, enough will be left over to meet the needs of Canadian enterprise and of provincial and municipal governments as well as of individuals who need credit.

We also realize that, apart from the minister's responsibility, in addition to getting in excess of $2,000 million for the federal government, and in addition to assuring that all the other credit needs of Canada, municipal, provincial, industrial and personal will be met, the overriding desire of the minister is to restore and maintain public confidence in our monetary system.

I could use various terms or forms of language in making my appeal to the minister. I could appeal to him in the language of one ex-Sunday school superintendent to another ex-Sunday school superintendent. However, I realize immediately that the minister would say that what we say on Sunday does not necessarily hold on a cold and frosty Monday morning.

Mr. Fleming (Eglinton): I have never said that.

Mr. Regier: I might use the language of the Marxists and attempt to educate the minister as to some of the teachings of Karl Marx. However, I realize that would not be of very much value in this house under present conditions. Therefore I shall do my utmost to express our opinions in the minister's own language. I hope it will not be the language of Bay street or St. James street but the language of ordinary, patriotic Canadians. I should like to say that we have abiding confidence in the ultimate wisdom of the electorate of Canada.

I should like to refer to an announcement the minister made last night respecting the result of the bids on his latest treasury bill offering. Yesterday the minister announced that he had been able to borrow $200 million. That is less than 10 per cent of the amount he will have to borrow in the current fiscal year. He announced that the price obtained for one year treasury bills was $94.78 per $100, which produces a yield to those who invested of 5.492 per cent. In other words the Minister of Finance admitted that in order to borrow $200 million for the government of Canada for a period of one year he had to pay an effective interest rate of 5½ per cent, or very nearly that, on a one-year federal government issue.

I know the minister likes to sugar coat the pill, and he has used a number of devices. He called this an issue of treasury bills

when in fact it was an issue of bonds. To all intents and purposes and for all practical purposes it is a one year government bond. However, I suppose the minister, acting on behalf of the people of Canada, had the idea that he might get a better rate by calling it a treasury bill rather than a bond.

Mr. Fleming (Eglinton): The two things are quite different.

Mr. Regier: He admitted that it was something new in Canadian government financial history to issue a treasury bill with a duration of 365 days when treasury bills are usually of 90 days' duration. The minister admitted further weakness in his position when he indicated that those who converted the 2½ per cent 1959 bonds for the new treasury bills would be able to collect on June 10 the payment falling due at the end of that month. In other words a 20-day bonus was given to the holders of the 2½ per cent 1959 bonds.

The minister also announced last night, in response to a question by the hon. member for Kenora-Rainy River, that this treasury bill issue was one that might be used by the banks of Canada for deposit as a reserve with the Bank of Canada. Thereby the minister admitted that the issuance of these treasury bills was highly inflationary, in that an issue was being made that might be used for purposes of reserve with the Bank of Canada, replacing in effect a bond issue that was not acceptable for reserve purposes by the Bank of Canada.

Our complaint is that the minister is facing increasing difficulties and that in the light of that situation he is doing nothing about it. He is burying his head in the sand and, as far as we know, the government is not contemplating any action to head off the crisis that is approaching. The government seems to think that by a little bit of sugar coating, such as making bonds acceptable at par on June 10 when they should only be acceptable on June 30; such as making the new bonds acceptable by the Bank of Canada for reserve purposes, replacing bonds that were not acceptable; such as calling a bond a treasury bill rather than a bond, and by hiding our heads in the sand we may be able to avoid the growing crisis in the matter of government financing. The government, as far as we now know, is placing its undying faith in the money market place and hoping that events and circumstances will rescue it from the dilemma in which it now is.

I read in the newspaper this morning that at North Bay last night the Prime Minister had recited a number of instances that to him were signs of the return of prosperity to the Canadian economy. I know the Prime Minister is equally aware that he might also have used all kinds of figures, facts and statistics to prove exactly the opposite of the main tenor of his remarks last night. On a number of occasions we have asked the government to produce evidence of the return of prosperity to the Canadian economic scene, and we have received very vague replies indeed. For every instance of a return to a growing prosperity that the government is able to report, the opposition is equally able to record other enterprises in Canada that are on the downgrade at the present time.

One of the main evidences of a return to economic prosperity put forward by the minister over the past several months has been the demand being made at the present time on the resources of the banks. The remarks of the minister have had a strange uniformity. A number of us are asking ourselves, who is making all these demands on the banks now? Is it possibly the government itself which is absorbing all the available resources of the banks at the present time, or is there really a grass roots expansion of the economy and are Canadian enterprises really asking for additional loans from the banks with which to expand?

When I look at the rate of interest the minister announced last night I can appreciate that the banks might not be very interested in making any loans to Canadian industrial enterprises, that the banks might not be very interested in helping the Canadian economy expand. After all, if banks are able to make their resources available to the Minister of Finance and obtain a rate of interest of 5.5 per cent, why should the banks be interested in any way, shape or form in making their money available to Canadian enterprises at the maximum rate of 6 per cent?

I am referring now particularly to a fear that is rather widespread that the government of the day may very soon be seeking the authorization of parliament to amend the Bank Act. I have in my hand a copy of the Toronto *Telegram* for the day before yesterday, and the headline on the business and financial page is "Would boost rate on Bank and N.H.A. loans". I know the minister will agree with me that if he has to pay 5.5 per cent on one year treasury bills, he cannot possibly very long delay permission to the banks of Canada to raise the maximum allowable interest rate. He cannot very long delay the day when the maximum interest rate will be raised under the National Housing Act. He cannot very long delay the day when the maximum interest rate allowable under the Canadian farm loan board, as well as many other enterprises, will have to be raised. He cannot delay the day much longer, unless

he changes his approach to the basic problem of public financing, when he will have to raise interest rates for all the major segments of the Canadian economy.

I realize that the Minister of Finance is possibly the most important man in the government, Mr. Chairman. I realize that the government must have a front, a showman at the head of it. However, over the years it has been hammered home to the Canadian electorate that the real man guiding the destinies of all of us is the federal Minister of Finance. Why our Prime Minister decided to select one of the most orthodox, one of the most faithful of men, who subscribes to the outmoded and discredited economic and financial policies, as Minister of Finance is beyond me. We have seen how month after month the tension has been mounting. We know our Prime Minister is a progressive. We know he is a westerner. We know he is willing to experiment, that he is willing to explore the unknown. We know, Mr. Chairman, that he was even able to take the remains of a completely dead Conservative movement and catapult it into office. However, why he ever decided to select as the most important minister in the government a man who is dedicated to pursuing outmoded and outworn economic policies is beyond our comprehension.

Mr. Henderson: He should have got you; you are the smart guy.

Mr. Regier: I know the minister is willing to concede—

Mr. Henderson: You are from B.C., a real wizard.

Mr. Regier: —that if we are going to relieve unemployment in Canada, if we are going to maintain economic prosperity, our economy has to grow. There is no such thing as standing still. Our economy must expand. I also know that if we are going to follow a policy of aiding production we will have to develop markets, and in this day and age the development of markets is going to cost us money. The other day the Prime Minister announced that there was $10 million available for flour here and so many million dollars available for milk products there. The development of markets to meet growing production is going to mean more money from the federal government.

Hitherto we have relied on investors in the United States for the expansion of our economy, with the result that our dollar is worth more than the United States dollar. This is imposing a hardship on all our exporters, and it is also imposing a hardship on Canadian manufacturing enterprises. Our reliance on the United States is going to cost us a great deal in the years ahead. Indeed, it has already proven very expensive in so far as earnings are concerned in the form of dividends, profits and interest. The interest on what we owed south of the border last year took over a billion dollars away from Canadian production. I know the minister realizes that the all expansion of the Canadian economy has to come from the production of Canadian workers, out of unused production here, out of the savings of the people of our own land. We should like at this time to appeal to the minister for a little bit of leadership in order that we might eventually be masters of our own destiny.

Our proposal in this regard is that the minister, in the first place, should admit that he is in serious difficulty.

I should like to see him make a confession to the people of Canada. We realize that he alone is not responsible. Other governments and other ministers before his day have also added to the situation. Rather than to make a gamble or a play with the future welfare of the Canadian economy and the lives of our Canadian workers we should like to see him make a confession and the confession would say in effect that our riches have not expanded with the growth of the country. Our Canadian economy has expanded but, unlike the wise parent, we have failed to supply the boy with a new pair of britches annually and now in many parts of his anatomy the young lad is exposed and is at the mercy of others. Advantage is now being taken of our predicament.

I am sure that no Conservative regime in other areas of the British commonwealth would place such faith in the money market as our minister is doing. The investors of Canada are not misled. They are men who know what they are doing. They know that they have the minister over a barrel, and they know that they can extract even more blood than they are obtaining right now. That is why the minister yesterday was obliged to pay almost 5½ per cent on a one-year issue of the federal government. I had a phone call out of the municipality of Coquitlam over the noon hour and learned that they were able to issue 20-year bonds and all they have to pay is an effective rate of 6.3 per cent. I asked the municipal clerk what was the reason for that. He said that after the let-down which the people of Canada have experienced at the hands of the federal government over the years, you cannot blame the investors of Canada for having almost as much faith—in effect it is a greater expression of a faith—in the issue of

a municipal government as they have in an issue being placed on the market by the Minister of Finance.

Anyone who knows anything about the investment field at all knows that a 6.3 per cent rate on a 20-year issue is in effect a lower rate than a 5.49 per cent rate on a one-year issue that has the backing of the federal government. We have therefore now arrived at the stage where the investors of Canada are expressing greater confidence and faith in our municipal governments and in our provincial governments than they are expressing in our present Minister of Finance.

We say that the investors are not misled. We say that the people are lacking in faith in the government of the day. We say that it is high time that there be an assessment of the credit needs of the Canadian nation, the federal government, all other levels of government, all levels of Canadian enterprise and of individuals. We should like at this time to ask the Minister of Finance this question. He has now financed a tenth of his needs for this year. What plans has he in mind to meet his needs for the rest of the year? How in the world is he going to be able to borrow $1,800 million more or less at an adequate rate of interest?

Mr. McMillan: Mr. Chairman, I do not want to take very many minutes of the time of the committee but I want to refer to interest rates. On Monday when questions were being asked the Minister of Finance regarding the current treasury bill rate, as reported at page 4192 of *Hansard* I asked him this question:

> Is the minister aware that the highest United States short term treasury bill rate is 3 per cent, while our own exceeds 5 per cent, a differential of over 2 per cent?

Then the minister replied as follows:

> With respect, Mr. Speaker, a very misleading impression has been left by the observation which the hon. gentleman has just made, and I would ask the opportunity to set that right. Evidently the hon. member is not aware of the situation with respect to treasury bill rates in the United States. I happen to have them with me in a statement which reached my desk only today. On the 340 day bills in the United States the rate is 3.835 per cent average; on the 220 day bills it is 3.565 per cent average, and on the 1 year certificates, the 4 per cent coupon is offered on a 4.05 per cent basis.

The minister is right except that he has assumed his old trick of comparing apples with oranges, as he did when he tabled the estimates for this year. He compared this year's estimates with last year's estimates plus the supplementary estimates plus supplementary estimates No. 1 and supplementary estimates No. 2. When I asked him the question my reference was to the 91 day treasury bills and not to the treasury bills for six months, 220 days or over seven months or to those running one year or slightly under one year.

Mr. Benidickson: Short term treasury bills.

Mr. McMillan: For treasury bills those are considered to be long term. In the financial papers on Saturday—I do not want to read them but I have them here—it is stated that Canada had to pay 5¼ per cent for 91 day loans while the United States government needs to pay only 3 per cent for 91 day or short term borrowings in treasury bills, and that in the United States it is expected that the supply of short term money will increase this year, thus forcing down interest rates in that country.

I learned from the Bank of Canada that Canada had sold six months treasury bills to yield 5.26 per cent. In comparing the last sales of 91 day treasury bills in the United States and ours I find that Canada on May 22 sold treasury bills to yield 5.05 per cent and that the United States on May 25—three days later—sold treasury bills that yielded 2.88 per cent, which showed a differential of 2.17 per cent.

I realize that last week—and I have heard it since—the Bank of Canada obtained a more favourable rate than the 5.05 per cent, that the rate had gone down to slightly under 5 per cent and that in the United States it went up slightly. Therefore that differential could be decreased. But I was certainly surprised to hear the minister announce with some pride last night that this treasury bill loan was over subscribed. I wondered why it would not be over subscribed with such a high rate of interest of almost 5½ per cent. I was wondering if this would augur well for our provinces, our municipalities, our school boards and business organizations generally having to borrow money here in Canada. They will certainly have to pay a much higher interest rate.

In the financial press last Saturday I saw two or three references to the banks crediting the terrific spread between interest rates in Canada and those in the United States to the ballooning of the Canadian dollar premium. One report said that more money was coming in from the United States to Canada for investment in projects for high interest rates, and that tends to keep up the premium. According to Mr. Ambridge of the Abitibi Power and Paper Company, this makes it very hard for primary producers to sell their products in the United States. He goes on to say that each one cent increase in the premium slashes the income of our newspaper industry alone by more than $6 million a year.

Mr. Chairman, I do not want to take up the time of the committee, but I heard the

previous speaker making reference to the amount of money which had to be raised or refinanced this year along with the amount of money which had to be raised on capital and current loans. I know that the minister told us in a three-hour speech that the government had nothing to do whatsoever with setting interest rates. I also recall that the minister came into the house on November 14, 1957 and told us that no previous government in Canada's history had accomplished as much in five months for the good of the people of Canada as this government, and I know a lot of hon. gentlemen here will agree with that. But in support of his thesis on that day he said he was happy to report that in the weekly issue of treasury bills at that date the government had achieved a reduction of at least two-tenths of 1 per cent. The Prime Minister also said on the hustings and in Calgary that the interest rates in this country had fallen sharply as the result of government action since last June. I would think that if both these gentlemen have any control over interest rates and have magic wands, now is the time to use them because interest rates are going up week after week. Talking of interest rates—

Mr. Chevrier: The government is not doing much about them, not even the Minister of Finance.

Mr. McMillan: —the $100 million loan of the government last February cost this government an effective interest rate of 6.6 per cent. I say that the farmer and the corner grocery man can go down and borrow money from the bank at the present time at a cheaper rate than the government did on that occasion.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member for Kenora-Rainy River asked me for some further information as to the reason why an additional fraction on items 66 and 358 is now being asked. Item 66 is an item of $100,000 described in the estimates as a grant to provide additional services to the Indians of British Columbia. I may say to him that interest in this particular program, which embraces irrigation and agricultural products, is greater than ever before. It is essentially a summer program and the bulk of the funds are expected to be spent before the end of July.

As to item 358, may I remind the house that this is an item of $800,000 described in the estimates as:

> Balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1959-60.

May I point out, Mr. Chairman, that by its nature this vote is used in the early months of each year to complete projects carried forward from the previous fiscal year.

I also noted the remarks of the hon. member for Kenora-Rainy River concerning the supplementary estimates. Some reference was also made to that by other speakers. I think, Mr. Chairman, that there has been some oversight here on the part of the hon. gentlemen. It is important that the basis of comparison should be clear and fair. In comparing the non-statutory items in the 1959-60 main estimates with the 1958-59 main estimates, plus supplementary estimates Nos. 1 and 2, there was in this year's estimates, as I pointed out when tabling them in February, a decrease of $39.1 million.

Mr. Benidickson: Let us compare main with main. As somebody said, let us compare oranges with oranges.

Mr. Fleming (Eglinton): But let us talk about things which are controllable. I am talking about that when I draw the attention of the house to the relationship of fairly comparable items. In comparing the 1959-60 main estimates—

Mr. Benidickson: Will the minister permit a question?

Mr. Fleming (Eglinton): —plus the supplementary estimates—

Mr. Benidickson: Take out the pluses.

Mr. Fleming (Eglinton): —which I tabled on Monday, with the 1958-59 estimates plus the supplementary estimates Nos. 1 and 2, there is an increase of $15 million in non-statutory items. In comparing the 1959-60 main estimates plus the supplementary estimates which I tabled on Monday with the 1958-59 main estimates plus the supplementary estimates Nos. 1 and 2 and final supplementary estimates 1958-59, there is a decrease in 1959-60 of $267.8 million in the non-statutory items.

Mr. Hellyer: Does not the minister get confused from using so many different sets of figures?

Mr. Fleming (Eglinton): No. These are all plain figures which are on the record, if the hon. gentleman takes the trouble to analyse them.

Mr. Hellyer: To pick out the right ones.

Mr. Fleming (Eglinton): Now, Mr. Chairman, I will direct my observations to the remarks made by the hon. member for Burnaby-Coquitlam. He prefaced his remarks with a statement somewhat to this effect, that he was capable of giving me some instruction in the language of Marxism. If so I must confess I have no reason to pursue him into that field. I regret to say in general

of his remarks today that I have rarely heard more unadulterated nonsense talked in the House of Commons.

Mr. McIlraith: The minister says that about every speech.

Mr. Fleming (Eglinton): First of all, he began with the curious statement that a treasury bill and a bond are the same thing. Mr. Chairman, everybody else in the House of Commons, I am sure, knows that while these are both Canadian government obligations, they are different in their nature. A bond is an obligation put out by the government with a coupon rate set by the government. A treasury bill is an invitation by those interested to buy at a price to be stated by them in their tender. It is an obligation on the part of the government of Canada to pay them a fixed round sum at an appointed date, whether it be at the end of three months, six months, nine months, or a year, as the case may be.

The hon. gentleman then went on to—

Mr. Regier: What is the difference?

Mr. Fleming (Eglinton): If it is not apparent to the hon. gentleman, then all I can say, speaking in sorrow rather than anger, is that I think it is perfectly clear to everybody else in the house and that perhaps we had better proceed. The hon. gentleman seemed to take some satisfaction from what he said was the lack of faith on the part of the people of Canada with regard to these obligations issued by the government.

Mr. Regier: I did no such thing.

Mr. Fleming (Eglinton): I heard a great deal from him about lack of faith on the part of the Canadian people.

Mr. Regier: No satisfaction.

Mr. Fleming (Eglinton): I will simply take what comfort I think can properly be taken by the government and by hon. members of this house and I think by the great majority of the Canadian people from the fact that yesterday's invitation to subscribe and tender for treasury bills up to $200 million resulted, as I had pleasure in announcing in this house last night, in a very heavy over-subscription.

Mr. Regier: What does that mean?

Mr. Fleming (Eglinton): It means something that evidently the hon. member for Burnaby-Coquitlam does not understand and does not like.

Mr. Regier: I dare you to explain it.

Mr. Fleming (Eglinton): These are tenders on the part of persons who were prepared to indicate their confidence with regard to obligations to be discharged by the government of Canada one year from the date of issue.

Something was said by the hon. member about the rate. Everyone knows—or, at least, everyone else knows—that these various treasury bills have rates which bear a relationship to the maturity date. We in this country have not been accustomed to having one-year treasury bills. We had nine-months treasury bills back in 1955 under the former government, but if one looks at the figures in the United States, or at the relationship in Canada between treasury bills and the various maturity dates, it will be seen that practically uniformly the effective rate, that is the discount rate, or the "equivalent yield", is higher according to the length of the maturity. In other words, the discount is lower on the 91-day bills than it is on the six-months bills, nine-months bills or 12-months bills, and having regard to the rates obtaining latterly in the market on these very short term obligations the rate on the 12-months bill on our offering of up to $200 million is in line with the rates prevailing.

As I have said, Mr. Chairman, no minister of finance likes paying any more in the way of interest on the money that he must borrow than he is obliged to do. I do not intend to go back over the ground I covered on a previous occasion when I pointed out the extent to which the extraordinarily heavy demand for money today is a direct consequence of the rapidity of expansion and the forces of recovery at work in the Canadian economy which have forced interest rates to higher levels. This is not a situation confined to Canada. It is a situation which is paralleled precisely by the situation in the United States and it is reflected there in higher interest rates on all manner of securities. I have before me the rates paid on United States treasury bills—the 91-day rates. They show that the rate today is the highest prevailing during the entire period since last December. On 182-day treasury bills in the United States the rate prevailing today is the highest in this period—

An hon. Member: How much?

Mr. Fleming (Eglinton): The equivalent rate is 3.489, and that is the highest rate in the period of which I am speaking, beginning last December. Our experience is not exceptional. It is precisely the experience of the United States, and for similar reasons, namely, that there is an extraordinarily heavy demand for money. Similarly, on a previous occasion in this house I discussed the results of the bidding on the 221-day treasury bills of May 15, and there the equivalent rate of discount was 3.565 per cent. Again, on May 11, on

the 340-day United States treasury bills the rate was 3.835 per cent. So it is quite clear to anyone who has followed rates at all that the rates on treasury bills rise according to the length of maturity. And I have pointed out that the rate existing in the United States today on the 91-day treasury bills and the 182-day treasury bills is the highest in the past six months.

Again, let us take note of what has been happening in Canada. It is true that, as we discussed this subject a month ago in this house, the treasury bill rate was rising in Canada, and for the reasons I have mentioned—

Mr. Hellyer: Are there any other reasons?

Mr. Fleming (Eglinton): There are always many reasons that operate, but we are speaking now of the effective and strong factors which are accounting for the movement of interest rates today, and while the treasury bill rate in Canada on the 91-day bills did rise in recent weeks, as we were reminded, the fact is that last week the treasury bill rate was down. The rate in the previous week was virtually the same on 91-day bills as it had been the week before that but, as I say, the rate last week was down whereas in the United States it rose. Similarly, on the 182-day bills the rate last week was down. In Canada, we have had offerings now over a period of the last four weeks on 182-day treasury bills, and the offering of May 29 sold at the lowest rate in this period. These are short periods, and I do not intend to draw any sweeping conclusions from these facts, but I think, in fairness, that when the hon. member for Burnaby-Coquitlam undertakes to speak on this subject he should speak with knowledge of the facts and not in the manner he did today.

As far as the difference between interest rates in Canada and rates in United States is concerned, let me remind the committee that there has always been a difference in these rates. All effective interest rates in Canada have always been higher than those in the United States, and for a good reason. Canada is an importer of capital; Canada, as an underdeveloped country needs capital. The United States, on the other hand, is a country with a highly developed economy and a country which has a great reservoir of capital. Take any type of security at all—treasury bills, reserve bank rates, chartered banks rates, government bonds in the short or the medium or the long term field—and in every case you can find a differential, and over the long years there has always existed this difference as between rates in Canada and in the United States. There is nothing new in the present situation, and hon. members who try to make it appear that there is something new in this situation are, whether wittingly or unwittingly, misleading the public. This is a situation which has existed as long as Canada has existed, and it should not be misrepresented.

Then the statement was made by the hon. member for Burnaby-Coquitlam that in permitting the banks which have taken this one-year treasury bill to include it in their 7 per cent reserve we are indulging in something highly inflationary. It is regrettable that the hon. member does not appreciate what inflation is. This is the same hon. member who was chastising the government a few days ago with regard to the tightness of money. Now he is saying, if his statement has any meaning at all, that we should not permit the banks to include their holdings of this one-year treasury bill in their 7 per cent reserve.

Mr. Regier: I did not say that.

Mr. Fleming (Eglinton): If the hon. member did not mean that, his statement was without relevance or significance to the matter that he was discussing.

To the extent to which chartered banks turn in holdings of this government bond maturing on July 1 and replace it with the 12-month treasury bill they will, as I pointed out in reply to the question of the hon. member for Kenora-Rainy River last night, be permitted to include this new obligation in their 7 per cent reserve holding, which they could not do before in the case of the bonds; but that is not an inflationary tactic at all. Indeed, Mr. Chairman, if the hon. gentleman is contending that the rules in respect of what may be counted in the 7 per cent reserve should be tightened, then he in fact is proposing a tighter money policy.

Then he goes on to talk about the government putting its faith in the market place. Mr. Chairman, the government has to deal with the public to the extent to which the public holds its government obligations. We have to deal with those who are the creditors of the treasury, the people who have acquired those obligations. It is so interesting to hear this necessary process described as putting faith in the market place and being worthy only of the hon. member's denunciation. He says we should do something else. What is the something else? The only other thing, Mr. Chairman, is to turn loose the printing presses and debauch the currency, or to take the money from the people by compulsory means and that means harsh taxation or confiscation. This government does not propose to pursue any of those courses.

Mr. Pickersgill: What about taxation?

Mr. Fleming (Eglinton): Therefore, I invite the hon. member to ponder well on this fact, that the government of that province which to him and those in his party who think like him is regarded as their paradise, the province of Saskatchewan, has done its financing in the market place and believe me, not so much in the market place of Canada as in the market place in New York. In the thinking of the hon. member it is all very well for the government of Saskatchewan to do these things and even to do them in New York. I am not criticizing the policy of the Saskatchewan government in this regard at all, but I do invite the hon. member to ponder well on why he castigates the federal government for dealing in precisely the same way with those who are its creditors in this country.

He is raising more bogeys today. He raised the bogey of an amendment to the Bank Act to raise the rate, an amendment to the National Housing Act to raise the rate. He has been told in this house, within the last week no less, that the government does not propose to introduce any amendments at this session to either of those acts, but he goes on raising those senseless bogeys.

Probably the last of those curious fallacies, those unique fallacies of the hon. member was his reference to the exchange rate as between the Canadian dollar and the United States dollar, and its bearing upon wider considerations affecting trade and the economies of the two countries. Mr. Chairman, I am not going to review the factors that enter into the present exchange rate. I did that in a recent debate in this house. Today the Canadian dollar is at a premium of approximately four cents over the United States dollar; but, Mr. Chairman, the hon. member evidently has quite misapprehended how this exchange differential has arisen as he has misapprehended the effect that it has on the terms of trade between Canada and the United States.

I doubt whether we shall hear a more extraordinary statement than the one he made this afternoon, namely that because of the existence of this premium Canadians had, as I understood him to say, last year paid a billion dollars more to the United States than they would otherwise have done.

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

Mr. Fleming (Eglinton): It is very hard to follow the hon. member in what he has to say.

Mr. Regier: I am convinced the minister would not want to misrepresent me. I said the profits, the dividends and the interest rates that were paid by the Canadian economy last year on United States investments in Canada exceeded a billion dollars. It had nothing to do with the value of the Canadian dollar.

Mr. Fleming (Eglinton): Mr. Chairman, it would be very interesting indeed to see the hon. member produce the evidence upon which he bases that statement. You see, Mr. Chairman, it would require the assumption that there was moving across the Canadian border in terms of exchange translated into the exchange of the other country something over, I suppose, $25 billion, to have the difference in the exchange which varied throughout the year but averaged out at something like 3½ per cent, I suppose, for the whole 12 months, amount to $1 billion. However, it is a fantastic statement. The gross investment of United States capital in Canada is about $18 billion. The net is substantially less. The net United States investment in Canada today is approximately—I think if I said about $13 billion I would be pretty close to the mark. Evidently, the hon. member just takes all of the United States investment in Canada, adds to it substantially and then calculates the exchange rate on that and assumes that the whole amount moved across the border, and was changed from the currency of one country to the currency of the other country in one year. How utterly and sadly fantastic and, Mr. Chairman, we have to sit here and listen to such things in the Canadian House of Commons!

Mr. Regier: I did not say anything of the kind.

Mr. Fleming (Eglinton): It is very hard to understand what the hon. member does mean.

Mr. Regier: I will agree with that; it is hard for the minister.

Mr. Fleming (Eglinton): I am very pleased to receive that generous absolution at the hands of the hon. member. One final observation, Mr. Chairman—

Mr. Pickersgill: Not final!

Mr. Fleming (Eglinton): Final for the time being. The hon. member for Welland, back on his favourite theme preaching gloom and making things look as black as possible, and hurting the country's credit just as much as gloomy and erroneous statements can hurt it—

Mr. Martin (Essex East): Why say that?

Mr. Fleming (Eglinton): —said that interest rates were going up week after week. I invite the hon. member to ponder on the fact that the rates on our treasury bills were down last week.

Mr. McMillan: That is the first time.

Mr. Fleming (Eglinton): The hon. member says yes. Perhaps it would have been a little fair on his part if he had said that when he was speaking earlier—

Mr. McIlraith: He did say it.

Mr. Fleming (Eglinton): —instead of saying interest rates were going up week after week.

Mr. Chevrier: There is no fairer member than the hon. member for Welland.

Mr. McMillan: On a question of privilege; I did say that last week our interest rates on our 91 treasury bills were down in the market, and the differential with those of the United States was not as large.

Mr. Fleming (Eglinton): The hon. member did say also—and I took down his words as he said them—that interest rates are going up week after week. There have been periods when they were going up, but why make things worse than they are, why distort the facts, always on the side of gloom? Let us rather, in deference to our duty as Canadians and the responsibility that is shared by all hon. members of this house in relation to the credit of this country, seek not to put an unwarranted gloomy interpretation or colour upon the facts, but let us deal with facts and not with gloom.

Mr. Hellyer: When did you develop that high and lofty attitude?

Mr. McMillan: Would the minister permit a question? Did they not go up yesterday when these treasury bills were sold to nearly 5½ per cent?

Mr. Fleming (Eglinton): No, this is the first offering in this one-year field in the history of Canada.

Mr. Regier: I regret very much that I have to differ so violently with the minister. I also regret that the minister had to reply almost immediately and that his officials were unable to prepare a speech which he might have been able to deliver because I am convinced that a prepared speech of that kind would have made for much more reasonableness than the one to which we have had to listen. In the first place, the minister again referred to his statement last night when he said, as found on page 4278 of *Hansard*, that the $200 million "has been very heavily oversubscribed". The minister knows very well that when you offer treasury bills there is just no such animal as oversubscription.

Mr. Fleming (Eglinton): Nonsense.

Mr. Regier: There are offers of many kinds and varied amounts, and the government accepts $200 million of the best offers that are being made. It is simply ridiculous to claim that there was an oversubscription of an offering of treasury bills because, having regard to the way in which treasury bills are marketed, it is absolutely impossible for anyone ever to claim that an offering was heavily oversubscribed or even in any way oversubscribed.

Mr. Fleming (Eglinton): That is nonsense.

Mr. Regier: I give the minister full marks for having the best interests of the Canadian people at heart, and I assume that when these offerings were opened yesterday at 5 p.m., I believe, the minister's advisers placed before him the $200 million of offerings with the lowest effective yield and the minister accepted them. There may well have been $1 billion or $5 billion offered to the minister. However, if he had accepted any of these other offers he would have had to pay a higher rate. I do not think the minister is able to argue successfully that the offering of treasury bills was heavily oversubscribed. We have never heard this terminology before with regard to treasury bills. When bonds are offered bearing a fixed rate of interest we can easily have oversubscription. When the government offers at par Canada savings bonds bearing a fixed rate of interest and having a fixed price there may be oversubscription. However, there never is oversubscription when you offer anything on the auction block.

I am not going to use terms that the minister loves to use such as "unadulterated nonsense". I thought he had forgotten that the other day when he only said that I was mixed up. I thought the minister was making considerable progress in his use of language with regard to opinions expressed by the opposition. However, the minister made one very serious error when he implied, I think even more than implied, that we in this group take satisfaction in a lack of faith in the government on the part of the Canadian people. I must inform the minister immediately that the only reason I am here and the only reason I rise at this time is not to express any satisfaction but to express our regrets at the lack of faith. I am attempting in my own humble way to advocate remedies which will restore the faith of the Canadian people in the monetary policy that the government of the day is pursuing.

I know that if you say a thing often enough maybe enough of the voters will believe you and the minister again expressed his belief that there was a heavy demand on the money available today. Again I must ask him, who is exercising the heavy demand? Is it the industrial heart of Canada? Is it the consumers of Canada or is it the minister himself who is exerting the heavy demand? I

should like to refer to the announcement made a little while ago by the banks of Canada. As if by magic, according to the interpretation of the minister, the banks of Canada announced at the same time that it was necessary to curtail the issuance of credit for the expansion of Canadian enterprise. I would point out that it was none other than the Minister of Finance who expressed his needs to the banking institutions of Canada in no uncertain terms and who impressed upon the banks that his needs ought to come first as they were of so much greater importance and that the expansion of the Canadian economy ought to take a secondary role.

Mr. Fleming (Eglinton): That was never said.

Mr. Regier: The minister, of course, completely ignored the main tenor of my remarks in which I asked the minister where he expected to obtain the rest of the capital needs of the government. Some $1,800 million has to be raised before March 31 next. He has already had to pay an interest rate of 4.49 per cent on his initial issue, so what kind of interest rate may he well have to offer before March 31 next?

The minister also went to great length to explain the difference between rates on issues for which he is responsible and on the offerings of the United States government. He indicated yesterday that an offering almost like the one that he put out yesterday, a one-year United States treasury bill, produced a yield of 4.05 per cent. I assume that is in terms of United States dollars which means that in terms of Canadian dollars the yield would be slightly under 4 per cent. However, the money invested is United States money so it would be 4.05 per cent. For years now our dollar has been worth more than the United States dollar and we fail to understand why an offering by the Canadian Minister of Finance should have to pay an effective rate of 4.49 per cent when south of the border, where their money is worth less, they are able to obtain money for 4.05 per cent.

The minister was very mixed up in his interpretation of the billion dollars that has to leave Canada to pay homage to United States investment in Canada. It had nothing whatever to do with the fact that our dollar is worth more than the United States dollar. I simply reminded the minister of the information that has been available on the financial pages of the newspapers for several months that out of the 1958 Canadian economy there had to be paid to United States investors in Canada, by way of earnings on United States investment in Canada, by way of interest rates on United States holdings of Canadian securities, a sum of money in excess of a billion dollars. The minister, himself, by listing United States investments in Canada tended to confirm these newspaper reports. He indicated that there was invested in Canada by United States investors a sum of money in excess of $18,000 million, and the return on that is somewhere in the neighbourhood of 4.5 per cent. I am not saying the return is excessive at all.

However, I am attempting to point out that the failure of the government of Canada to supply leadership to the Canadian people, to supply the incentive to the Canadian people to be responsible for the development of Canadian enterprise, the failure of their leadership to appeal to the patriotism of the Canadian people to have confidence in the Canada of tomorrow, leads us to rely more and more for our prosperity on the confidence and faith that others have in us and in our resources. This places us ever more in hock to outside interests. The longer this condition is permitted to continue, the longer we are postponing the event. Some day Shylock will demand his pound of flesh and the Canadian people will suffer the consequence. I know that this is not peculiar to the federal Minister of Finance. Almost all levels of government and very certainly most individual Canadians are living beyond their means. However, hitherto the federal ministers of finance have been the prime leaders in sponsoring the philosophy that we can continue to borrow to keep pace with eternal prosperity. Those days must end, and they will end.

The sooner that Canadians in all walks of life, under the leadership of the Minister of Finance, begin to realize that we have to buy for the growing boy a new set of breeches every year, that if necessary we have to reduce our expenditures in order that we might eventually own Canada ourselves, the better off we will be. However, the minister continues to place blind reliance on the money market, puts his head in the sand and hopes that maybe tomorrow the sun will shine. He compares himself with the minister of finance of Saskatchewan. There simply is no comparison between the authority and power of this federal Minister of Finance and the authority and power of the minister of finance of any province. I believe even the minister will agree that compared to other provinces, the minister of finance of Saskatchewan, Mr. Fines, has done well indeed.

The minister asks, what is our remedy? He offers what he imagines is our remedy. He says, by implication at least, that the C.C.F. is advocating we use the printing press. I believe the Minister of Finance knows

better than that. Throughout its entire history, while the C.C.F. has advocated monetary reform, it has never advocated turning the handle of the printing press and turning out money for which there is no value. There is only one political movement of which I know that has advocated that, and that is the Social Credit movement. Let me warn the minister that if he pursues his present course of action, those irresponsible advocates of monetary reform are going to grow in influence throughout Canada. I am very annoyed, and I regret very much the evidence of the growth of a movement such as the Union des Electeurs in Quebec, where they are able to persuade municipality after municipality that the minister should use the Bank of Canada to finance, without interest, all the capital needs of our municipal governments. The list of municipalities advocating this measure is becoming alarmingly large.

This is an irresponsible recommendation and the minister well knows it is irresponsible. However, if the minister is going to follow his reactionary policies these counter movements are going to grow. You will find one city council after another throughout Canada endorsing the submissions of the Union des Electeurs. We have never advocated the issuance of more currency than is necessary to meet the needs of the Canadian economy. However, we have asked the minister to make a survey by means of a national investment board, royal commission or otherwise—let him decide whatever means he thinks best—of the credit resources available within the Canadian economy. We have asked for a survey of the credit needs of the various levels of government in Canada, of industrial enterprises and of individuals in Canada. The minister has, hitherto, laughed off all these recommendations.

I should like to spend many minutes more in offering many other recommendations as to how the minister might undertake measures that would relieve him of the very difficult situation in which I think he ought to admit he is. Our submission is that the sooner the minister admits he is in difficulty, the sooner we will begin to find a solution and, as real Canadians we will work our way out of the predicament in which we are now.

Resolution reported and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of ways and means.

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

[Mr. Regier.]

Mr. Fleming (Eglinton) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service of the fiscal year ending March 31, 1960, the sum of $634,617,069.94 be granted out of the consolidated revenue fund of Canada as set forth in the resolution concurred in this day in committee of supply.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-53, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1960.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time? By leave, now.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I have not had time to look at the bill. Will the minister just assure us that it is in the identical form of its predecessors?

Hon. Donald M. Fleming (Minister of Finance): Yes, Mr. Speaker. The bill is just in the usual form. There are four clauses which have now become standard and the schedules which fully contain the items in respect of which more than one sixth is being appropriated.

Mr. Fleming (Eglinton) moved the second reading of the bill.

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

Clauses 1 to 4 inclusive agreed to.

Schedules agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

NATIONAL ENERGY BOARD

PROVISION FOR ESTABLISHMENT AND OPERATION, APPOINTMENT OF MEMBERS, ETC.

Hon. Gordon Churchill (Minister of Trade and Commerce) moved the third reading of Bill C-49, to provide for the establishment of a national energy board.

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

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, the bill before the house now for third reading is a much different and much improved bill from that presented to the house by the government. It will be recalled that at the second reading of the bill,

when the principle was before the house for approval, the opposition agreed to the principle of the bill, namely that a national energy board be set up to deal with oil and gas pipe lines, the export of gas and power and certain related matters. But at that stage they opposed certain clauses in the bill; as a matter of fact they opposed strongly some of the individual clauses. The opposition argued that they were contrary to the type of provisions that should be in such a bill and indeed wrong in principle in many cases.

The main items we opposed on the second reading when we were approving the principle of the bill may be summarized in this way. I will not attempt to deal with them all but only with the main ones. We opposed the duplication of government services which we thought was inherent in the wide advisory powers given to the energy board under clause 22 of the bill. In other words, we argued that the board would be duplicating services already performed by such government agencies as the atomic energy control board, the dominion coal board and other bodies of a similar type.

Then we opposed at some length what we thought were the arbitrary and excessive powers which the minister or the governor in council, as the case may be, was seeking under the bill which was submitted. We thought those powers were quite excessive and that no case could be made out for them. The type of arbitrary power to which I am referring was, for instance, the minister's right to refuse to table reports and studies made by the board on matters of energy under clause 22 (1), that is to say reports and studies that were not of a confidential nature.

Then we opposed the arbitrary power, as we saw it, inherent in clause 49 which was a clause in part III of the bill which deals with the issuance of certificates of public convenience and necessity governing the construction and operation of pipe lines. The arbitrary power we opposed there was the right of the governor in council to exempt lines from certain of the effective clauses in the operation of part III of the bill. A similar power was contained in clause 85 (2) of the bill which permitted the governor in council by regulation to exempt any person or class of persons of any product or class of products or any transactions, persons or areas from the operation of all or any of the provisions of part VI of the bill which was the part having to do with the export and import of gas and power. We argued that that was an arbitrary power that was wrongly being sought by the governor in council.

Then another very important objection to the bill was on clause 87, which had to do with the import of oil. There were really two parts to our objection to that clause. There was the same argument as we applied to other arbitrary powers; the governor in council seeking arbitrary powers to impose import controls and quotas on the import of oil. We thought there was no emergency warranting that step and that no case had been made out for it, and we also opposed such an important matter of change in government policy as controlling the import of oil and putting an embargo upon it being decided by the governor in council. We argued that it should be determined by parliament before any such far-reaching step was taken.

On second reading we also requested that the bill go to a standing committee. I still adhere to that view, but it is neither here nor there now because we were voted down on it and our request was not acceded to. We thought and still think it was the type of bill which should have gone to a standing committee. There were many clauses in the bill which could have been better drafted by a standing committee, but as I say our request was not acceded to.

At the committee stage of the bill a great many amendments were put forward. I think there were some 30 in all. Seventeen amendments were adopted, 11 were rejected and two were withdrawn. But the effect of those amendments was very important. We think that those amendments materially improved the bill. Some of them went very far in removing our objections to specific clauses of the bill. Perhaps in fairness I should deal with some of these amendments, not in a detailed way, but in order to make my point. We did put forward an important amendment to reduce the number of members of the board from five to three. We thought that would make for a better board, a stronger board in all the circumstances bearing in mind the volume and nature of the work and the difficulty in securing an adequate number of able men. But the committee in its wisdom unfortunately rejected that request.

Then we put forward another amendment which we thought was of considerable importance but which was also rejected. That amendment had to do with a provision in clause 83 of the bill. It will be recalled that the Prime Minister (Mr. Diefenbaker) on second reading spoke about the desirability of being sure that in the export of gas the price charged by exporters to the United States was not less than that charged to

Canadians in like conditions. The Prime Minister's remarks will be found at the bottom of page 4025 of *Hansard* for May 26 last, where he said:

> As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interests. With the implementation of this legislation, no longer will there be any suspicion that the Canadian consumer is being forced to subsidize the foreign markets or that Canadian industries will be asked to pay higher prices for their industries—

I think there is a printer's error there and it should read "energy".

> —than those paid by foreign industries using Canadian energy.

We thought the bill should have such a safeguard in it and we put forward an amendment to clause 83 (b) to that effect. Clause 83 (b) is the clause having to do with an application to the board for a licence to export, and it was argued in committee that that matter was adequately taken care of by the provision in the clause as it stood, namely:

> —board shall satisfy itself that
> (b) the price to be charged by an applicant for gas or power exported by him is just and reasonable in relation to the public interest.

The government argued that that provision adequately took care of the situation and our amendment was rejected. We did not quite agree with that view, but in any event the amendment was rejected. But we do think now that in the light of the discussion on that point at the committee stage it is highly probable that the board, in interpreting the meaning of the words "just and reasonable", is likely to take some notice of the argument advanced on this clause in the committee stage and is likely to try to apply that criterion as far as it can. For that reason I am making no more of our suggested amendment at this point. I think it was a correct amendment and I regret it was not accepted; but we think, having regard to all the circumstances, that the board will probably take cognizance of it anyway under the requirement that they shall satisfy themselves that the price to be charged is just and reasonable in relation to the public interest. The bill still does not do in so many words what the Prime Minister claimed it would do in this respect; but that is a point which does not fall to be argued here.

As to amendments which were adopted, may I say this. First of all there was our objection to the arbitrary powers which I mentioned a moment ago contained in clause 49 of the bill. That is the clause permitting the governor in council to exempt lines from the operation of part III of the bill; that is the part having to do with certificates of public convenience and necessity in the construction and operation of pipe lines. That arbitrary power was removed from the bill in the committee stage. The government acceded to that, and I am not sure that they did not take our criticism and put it in the form of an amendment themselves. In any event, they acceded to our request and it was embodied in an amendment and that objectionable feature was removed from that clause.

Then there was the arbitrary power contained in clause 85 (2), which had the effect, we thought, of permitting the governor in council by regulation virtually to exempt gas pipe lines and gas exporters from the operation of the export provisions of the bill. We felt very strongly about that and so argued, and the government accepted an amendment which removed that objectionable subclause completely from the bill. It is quite true that a much more limited subclause was put in clause 87 relating to oil.

When we are dealing with oil products, there are, of course, a great variety of products and it is difficult to envisage any circumstance in which anyone would want to bring all of them under control; and while there might still be a case made for arguing against the arbitrary power of that clause, it is a very much more limited power and a case can be made for its retention, and I make no more of that point. The main point we were making was achieved by the removal of subclause (2) of clause 85.

Then, when we come to clause 87, the clause permitting the governor in council by declaration to extend the application of the bill to oil—to provide for regulation and control of oil imports and exports—we advanced a somewhat extensive argument. I sought to develop it as some length; I will not repeat what was said on that occasion, because it can be found on page 4028 of *Hansard*. But we did put forward arguments on two grounds. One of those grounds was the improper granting of arbitrary power. The other was that a decision of this nature was so important and so far-reaching in relation to trade policy that no action should be taken other than by a decision of parliament, and that parliament should have control of this matter. We maintained that there was no foreseeable situation in which there would not be sufficient time for parliament to deal with the subject should the need ever arise. We addressed ourselves, also, to a remark which the minister made as reported at page 3929 of *Hansard* when presenting the bill for second reading, on which occasion he said:

> The case with respect to licensing imports of oil is different and more complicated. I do not propose to argue the case fully today. It would be

premature to do so until the second report of the Borden commission in respect of this matter has been received and considered.

We objected to the clause in the light of that statement, too. In any event, our arguments and objections on that point were recognized by the government, and the government, of its own volition, after our views had been expressed, brought forward an amendment which, while it did not fully meet the situation as we saw it, did go a very long way toward meeting our objection. Although the clause as amended does not permit parliament to make the original decision as to whether or not import control should be applied to oil, it does provide that if the government makes such a decision parliament shall have the opportunity of debating the matter promptly and of revoking the decision taken. So that while this could, I suppose, properly be called second best from the point of view of our argument, it does go a very long way toward meeting our wishes on that point, and materially improves the bill.

I have sought to deal with this subject fairly briefly at this stage, and I have endeavoured not to reopen old arguments. I think I have been fair in picking out only those amendments which best serve to illustrate the point I am seeking to make. There were a great many other amendments which I could deal with, some of them of considerable importance, but though they are important they do not illustrate the point I have in mind.

I may say that had the amendments with which I have been dealing not been accepted in committee I do not see how we could now accept the whole bill as it would have been presented to us. However, these amendments having been made, and having gone so far toward meeting the objections we raised, we believe that on balance the bill is very markedly improved. The adoption of 17 amendments goes a very long way in improving the measure. I do not suppose I ought to comment on the work which was done in committee—work in which I, myself, participated—but I think all hon. members will agree that the bill has been improved as compared with the form in which it was first introduced.

We on this side have been sharply critical of the government for not enunciating its policy on this important subject earlier. Now that this policy has finally been announced and the present measure presented to parliament; now that the discussion in committee has been completed, and the situation in the country and in the industry being such that action should be promptly taken, we feel that no useful or proper purpose would be served by our presenting any amendments on third reading. While we have some reservations about certain parts of the bill, we think it is sufficiently improved for us to be able to concur in the third reading at this time and we hope that the government, when the bill has passed through all its stages, will proclaim it immediately and set about the task, which I think will probably be a difficult one, of finding as competent a board as it can to exercise the powers granted by this legislation.

In this, we hope the government will be successful, because the influence of the board on the industry itself and on the economy of the country as a whole will be substantial. We, therefore, in the light of the explanations I have made, are prepared to accord third reading to the bill.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the basic position of the three parties in the house has not materially changed since second reading. The Liberal party voted for second reading of the bill. They are now more in agreement with that vote than they were when they made it, so that on third reading they are very much in favour of this legislation.

As far as we are concerned, we acknowledge that certain improvements have been made. We are pleased that the government has gone some distance toward improving the legislation which was brought before this house, and we are aware that the government has acknowledged, in moving certain amendments, the role played by opposition members in advancing various propositions and in making certain criticisms of the measure as originally brought down.

However, our fundamental objection remains; namely that under this legislation the consumers of this country, both householders and industry, will pay higher prices for natural gas and for oil than are necessary. The role of the federal government in this field should have been a more positive one, a more active one, and one which would have resulted in the lowering of costs of energy to Canadians consumers and Canadian industry.

We are still very much concerned that the government has failed to implement the recommendation of the Borden commission that, in proceeding with the setting up of an energy board and the establishment of rates, a return on the shareholders' equity alone should be considered, and not a net return on all the assets of a corporation which would result in a much greater return on the shareholders' equity. The failure

of the government to implement that proposition in the legislation as guidance to the board, will, of course, mean higher prices for gas and oil in the future.

There are certain clauses in the bill which have been improved, and these have been outlined very thoroughly by the hon. member for Ottawa West. In our opinion, while the government has agreed to a certain curtailment of the all-embracing power for which provision was originally made in this bill, there are still too many examples of instances where the government has retained arbitrary powers for itself. I might refer, in particular, to clause 44 which reads:

> The board may, subject to the approval of the governor in council, issue a certificate in respect of a pipe line or an international power line—

I could refer to clause 47:

> Subject to subsection 2, the board may by order, with the approval of the governor in council, revoke or suspend a certificate if, in the opinion of the board, the person to whom it was issued has violated or failed to comply with any term or condition thereof.

We feel that in a case of wrongdoing or failure to abide by the terms of a certificate, power should not be retained by the governor in council to allow the company to break the terms of its certificate and still remain in existence without a penalty being provided. This could lead to very great abuses; it could lead to favouritism and it could lead to a type of pork barrel by a government that wished to play favourites under certain conditions.

Again, Mr. Speaker, we acknowledge certain substantial improvements in the bill, but there are certain provisions still remaining that we feel should have been improved by the committee. Clause 61 of the bill is not the only one that gives us concern, but is it one that is very ill-defined and has not been adequately explained by the minister. It reads as follows:

> Where the gas transmitted by a company through its pipe line from any place within a province to any place outside the province is the property of the company, such proportion as the board may fix of the differential between the amount paid by the company for the gas and the amount for which the gas is sold by the company shall for the purposes of this part be deemed to be a toll charged by the company to the purchaser for the transmission thereof.

In other words, under clause 61, it is not necessary for the board to control the difference between the cost of gas going into a pipe line and the price of gas coming out of a pipe line but only an undefined portion of that difference, which might, in the opinion of the board, be a very small part of the difference, and therefore it might result in very ineffective and inadequate action by the board in controlling tolls for the transmission of gas.

For these reasons, Mr. Speaker, we think the government should have presented an alternative policy to this house. Not only should the board have had more exact instructions, not only should the governor in council have had less power to set aside decisions of the board, not only should profits and returns have been confined to shareholders' equity, but once again we say that in our opinion a public utility such as this, something that is a natural monopoly, is a field for public ownership, no matter what the political theories of any political party may be, a form of ownership which would give to the Canadian consumer energy at the lowest possible price.

Motion agreed to, bill read the third time and passed.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

FURTHER EXTENSION OF INCOME TAX RATE

The house resumed, from Tuesday, June 2, consideration of the motion of Mr. Fleming (Eglinton) for the second reading of Bill No. C-41, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to rise on a question of privilege. Last night you asked me whether I had participated in the debate. I indicated that I had not, that I had merely spoken on a point of order. I based my assumption on the faulty listing of the page number on the table of contents of *Hansard* of May 6. I must now apologize to you and to your advisers. I had spoken.

Mr. Speaker: Thank you. It was a mistake that might very easily arise from the way the index appeared.

(Translation):

Mr. Noel Dorion (Bellechasse): Mr. Speaker, I am sorry I was not in the house last night when the hon. member for Laurier (Mr. Chevrier) made his speech about the problem which is now before the house. On reading it however, I noted that, at one point, the hon. member for St. Denis (Mr. Denis) chipped in to insinuate that, during the speech, Conservative members from Quebec were hiding behind the curtains. That insinuation is all the more ill-willed and unjustified in that the hon. member knew—

Mr. Azellus Denis (St. Denis): I rise on a point of order, Mr. Speaker.

(Text):

Mr. Speaker: Order. Is the hon. member rising on a point of order?

(Translation):

Mr. Denis: Yes, Mr. Speaker, on a point of order.

(Text):

Mr. Speaker: Would the hon. member address himself to the Chair.

(Translation):

Mr. Denis: I never said that the Conservative members were—

(Text):

Mr. Speaker: Is the hon. member rising on a point of order?

(Translation):

Mr. Denis: Mr. Speaker, the hon. member for Bellechasse (Mr. Dorion) claims, regarding a vote in connection with provincial-federal relations, I said that the federal Conservative members had left the house. In fact, what I meant to say was that during a similar vote some members remained behind the curtains, and I maintain what I said.

Mr. Dorion: I take note of the correction made by the hon. member and I only wish to add that at the time everyone knew that many of us were attending the meeting of the special committee on broadcasting and I would have been most happy to hear the hon. member for Laurier myself.

Besides I doubt that what the hon. member for St. Denis just said or his remarks made the impression on the public he wanted to make. Indeed, in Quebec and elsewhere, it is well known that Conservative members from my province, far from following the lead of the hon. member for St. Denis and remaining silent for a lengthy period of time, did not wait 20 years before rising in the house and voicing their opinions on problems of interest to their constituents. Everyone knows that their thoughts and words have never been shackled or regimented. Everyone knows that never in the past 22 years has Quebec been represented by such free, such forthright and such outspoken members.

Mr. Denis: Mr. Speaker, I respectfully submit that the reference to my past attitude with regard to votes taken in this house, or to speeches I may or may not have made, has nothing to do with the matter that is before the house.

Mr. Dorion: Having expressed, in the first part of his speech opinions which, coming from him, have a hollow sound because they are so new, and which, I readily recognize, are in accordance with the doctrine of fiscal autonomy we have been preaching for years, the hon. member for Laurier attempted to show inconsistencies in our position and, in a thunderous voice, as I am told, he urged us to vote against a measure which, I must point out, originated back in the days when the Liberal party was in office.

What a strange logic. There is the result of the efforts he has been making—quite in vain—since his return to politics, to speak on behalf of the province of Quebec. Obviously, it is no easy task for him to shed his past, after he has had a share in the works of the federal government, with astonishing regularity and continuity, throughout the dark days when the provinces stood at the mercy of the decisions and dictates of its leaders, who rebuffed with scornful mockery anyone who dared to seek fiscal freedom for the provinces and thus sought to insure the upholding and respect of the constitution without which Canada, as it now exists, would have been no more than a marvelous Utopia.

The latter part of the speech made by the hon. member for Laurier, where he implies that Quebec Conservatives are renegades and threatens them with electoral come-uppance, conjured up in my memory a short story by Villiers de l'Isle Adam entitled *Plagiaries of Thunder*. The action took place in a faraway island where some huge aras, an Australian species of macaws, felt they could spread terror by imitating the thunder. One day an eagle happened by, recognized them and terrified them. The aras attempted rather unsuccessfully, to imitate the cry of the eagle, but could not from then on frighten the inhabitants of the island who had by now realized that, after all, the would-be eagles were mere parrots.

By this comparison I do not wish to minimize the merits and the high qualities of the hon. member for Laurier. But I want to tell him that his pronouncements on autonomy are, as far as I am concerned, strongly reminiscent of this story, and that we Quebec Conservatives will surely not allow ourselves to be frightened by plagiaries of thunder, whoever they may be and whencesoever they may come from.

The bill introduced today by the government is after all but the fulfilment of the following promise made in the speech from the throne:

> My government will recommend an amendment to the Federal-Provincial Tax-Sharing Arrangements Act to extend for another year the increase made last year in the provincial share of personal income tax revenue.

In other words, the purpose of this bill is to maintain the 13 per cent income tax de-

ductions granted to the taxpayers of the provinces where a similar tax is already levied.

Personally, Mr. Speaker, I have no hesitation in saying, without any feeling of repudiating my convictions, that I am happy to support this bill for several reasons, particularly because it clearly renews the recognition of the constitutional right of the provinces to tax incomes and to exercise this right freely. The hon. members of the house know the origin of this bill. Last year, I had the opportunity to recall the battles that certain provinces have had to wage against the federal government since the war to obtain practical recognition of the exercise of a right which is specifically and clearly expressed in the Constitutional Act of 1867.

I have referred to the high-handed and uncompromising way in which some of them were treated at the federal-provincial conferences held between 1940 and 1956. I do not intend to go over this particularly tragical phase of the relations between the federal government and the provinces, during which our friends of the opposition were far from having those feelings of autonomy that they so glibly talk about now that they no longer have the responsibility of power. To keep within the limits of this legislation, I would like to relate briefly how the government of the day was compelled to change its mind and to adopt the act 4-5 Elizabeth II(1956) the beneficial results of which are only increased and extended under this bill.

During the provincial session of 1953-1954, the Quebec government which, until then and as was strictly within its rights, had refused to renew the tax arrangements passed with the federal government during the war, decided to set up a provincial income tax, thus affirming a constitutional and undeniable right. As a result and because the province was exercising a right which is essential to its freedom in matters of taxation, a number of taxpayers had to pay double tribute to the fiscal authorities.

What was then the position of the government, the surviving members of which now set themselves up as champions of provincial autonomy? What theory was to guide those who, during each election, kept on recalling in the province of Quebec the illustrious memory of Sir Wilfrid Laurier? Were they going at last to be guided by the ideas of that great leader who, as early as 1905, had said here in the House of Commons:

> It is a sound principle of finance, and a still sounder principle of government, that those who have the duty of expending the revenue of a country should also be saddled with the responsibility of levying and providing it.

Alas no! It must be said that the prime minister of this country was far from having in the province of Quebec assistants of his own calibre. Mr. Lesage, for one, far from recognizing the rights of the provinces, did not care a fig for them when, in April, 1954, he said:

> This double taxation is exclusively due to the decision of the Quebec government which now attempts to throw the blame upon the Canadian government. This reminds me of the little boy—

Mind you, I am still quoting—

> —who pulled the cat's tail and replied to his father, who had told him to stop: "I am not doing the pulling: the cat is."

Not content with that quip of questionable taste, he went so far as to set himself up as a prophet and went on to say:

> Some would lay down as a principle that any province which has not signed an agreement should be entitled to levy deductible taxes in proportion to the amount it would receive under the agreements . . . We can already see—

Continued Mr. Lesage—

> —the tremendous confusion that would follow the application of that principle subscribed to by the Conservatives at their last convention.

Of course, at that time Mr. Lesage never thought that the first one who would apply, at least in part, that Conservative policy would be none other than his own leader, Mr. Louis St. Laurent who, two years later, reducing to silence the small politicians surrounding him, putting aside all narrow, mean and political considerations, became the instigator of the 4-5 Elizabeth II act, chapter 29, adopted on January 31, 1956. Well, Mr. Speaker, that act is at the very origin of the bill that is introduced today, in which the principle of deduction is quite clearly stated.

I have read with interest the debate that has been held on that legislation. I have looked in vain for what was said on that occasion by the hon. member for Laurier and the other Liberal members of the province of Quebec. They were completely mum. Not one of those who, today, in the opposition, want to show us the way and who try to criticize our attitudes, not one of them has risen to denounce the remarks made two years earlier by Mr. Lesage, or at least to tone them down. Not one of them dared state the autonomist argument so loudly upheld by the hon. member for Laurier now that he is in the opposition.

In order to defend the conciliating attitude of Mr. St. Laurent and justify his new policy —a Conservative policy, according to Mr. Lesage—they had to resort to Mr. Walter Tucker, former Liberal chief of Saskatchewan and then Liberal member for Rosthern, whose speech was to be a source of inspiration for our friends opposite.

On that same occasion, the members of the Conservative opposition did not fail to make statements which are and I trust always will be a source of inspiration for this government. Thus, the present Minister of Finance (Mr. Fleming), recalled in clear and precise language that left no room for doubt the theory denounced two years before by Mr. Lesage and his friends, and which their leader, Mr. St. Laurent, was at that time consecrating by legislation with regard to individual and corporation income taxes.

(Text):

When this field is entered into or when negotiations are entered upon with a view to arriving at understandings or divisions of the fields of taxation between the dominion and provincial authorities, let us remember, as the dominion government is prone to forget, that the provinces are in those fields not by leave of anyone; they are there as of right. It is their constitutional right. When there are suggestions from the dominion government about allowing the provinces to occupy some of this field, referring to that as a concession, we have a measure, Mr. Speaker, of the error in the federal government's thinking.

(Translation):

The present Speaker of the house will allow me to recall what he himself said on that occasion:

(Text):

I think those who believe that the federal system means something in this country and should be preserved owe a great deal to the fortitude of the people of Quebec, who have maintained that position throughout the last 10 years since the war. But even Quebec felt the pinch of the conditions with which they were confronted, and in 1954 and 1955 met something of a crisis which required the province to levy income taxes of their own, something which proved to be an embarrassment to them, and certainly to the federal government, and which resulted in a concession from Ottawa, namely a 10 per cent abatement in the personal income tax field. I think that is probably the genesis of the new agreements or the new arrangements which are now under consideration.

(Translation):

That new trend in the fiscal policy of the federal government was to become still more pronounced and definite with the coming to power of the Conservative administration. In that same debate, the man who is now the head of this nation had forecast it as follows:

(Text):

When I go back to 1945 I remember the great hopes that were held; and I am in agreement with my hon. friend the minister in this regard that the matter is complex. It is one of the most difficult problems that parliament, or the government, can be called upon to deal with, because there are so many facets, so many difficulties and so many situations that demand not an arbitrary attitude but a compromising and considered one.

(Translation):

And later, admitting that that legislation was a step in the right direction, he added:

(Text):

Under our constitution the provinces were never intended to be beggars. The provinces have responsibilities, the provinces have fields of action, and the concentration of power and authority in the federal government with respect to taxation has had an adverse effect.

(Translation):

Such was the spirit which, under the new regime, was to form the basis of the relations between the federal state and the provincial governments. That spirit, all provincial governments at the 1957 conference were able to note and to appreciate, and give credit for it to this government. They realized that the atmosphere had changed, that they were entering upon a new era, that the provinces, from then on, would no longer be considered as vassals, obliged to bow to the federal state's will and demands.

After two days of discussion, before they separated, the representatives of the country and of the provinces who had taken part in those meetings agreed on the text of a press communiqué which included the following paragraph:

Possible changes in the Tax-Sharing Arrangements Act were discussed, but it was understood that no endeavour would be made to reach conclusion on this matter prior to further consideration of the subject by the dominion government, in the light of the public statement made by the provincial representatives in open sessions and the discussions which took place in committee.

In other words, since from then on conclusions would no more precede but follow discussions, since from then on, to reach those conclusions, the ten provinces as well as the federal state would be entitled to express their opinion, we could no longer afford the luxury of improvisation and hasty action. Besides, the law of January 1956 covered a five-year period, which has not yet expired. Meanwhile, as early as January 1958, this government hastened to increase that portion of taxes to be paid to the provinces, and to increase from 10 to 13 per cent the income tax deduction for the taxpayers of provinces that exercise their own power of taxation.

Considering the importance of the problem and the impact that a slap-dash solution might bring about, the government tried to avoid hasty steps. At the second but last conference, at the suggestion of Mr. Frost and by common agreement, a committee was formed made up of federal and provincial officials to study technical problems raised by fiscal and economic relations between the various governments. On January 15 last, the Prime Minister announced that recourse would be had to this committee to prepare a conference of finance ministers of the various provinces under the chairmanship of the federal Minister of Finance.

Mr. Speaker, I had the opportunity to say, in the budget debate, how this policy seemed wise and forward-looking, in my opinion. The conference will make it possible to probe several aspects of this far-reaching problem of taxation in Canada. It will give rise to exchanges of views which are essential and which, I am sure, are such as to create an atmosphere of good will and understanding which is a necessity in a country with a constitutional organization such as ours.

In view of the abundance and variety of legislation, both at the federal and provincial level, in view of the frictions that are likely to occur from time to time, this conference will, I firmly believe, be the first step towards an agreement which, this time, will give due consideration to the requirements of the constitution, to its evolution since 1867, and to the legitimate needs and various views of the provinces and of the federal government.

This, Mr. Speaker, explains why and in what spirit I shall heartily vote in favour of the bill placed before us today by the Minister of Finance, convinced as I am that in so doing, far from transgressing any principles and convictions, I shall be doing my bit—in a very modest way, I realize—for the welfare and progress of the Canadian nation.

Mr. Martin (Essex East): Mr. Speaker, it is not easy to understand why the government's answer to the speech made by the hon. member for Laurier (Mr. Chevrier) should be entrusted to someone who is not a member of the cabinet. I would have thought that a minister from the province of Quebec would have answered the statements of my colleague, the hon. member for Laurier, especially following his statements last night when he said, as found on page 4277 of *Hansard*:

[Mr. Dorion.]

As may be noted, Mr. Speaker, the election promises made by the Conservative party in the field of fiscal relations in 1957 and 1958 have been completely disallowed. The Conservative government, far from treating the provinces with more generosity than did the Liberals, as it had promised, takes over a greater share of direct taxation. It completely ignores the concrete proposals put forward by the majority of provincial premiers in November 1957. More than that, it even refuses to meet them again.

And finally my colleague said:

It is for all those reasons that the Conservative members from Quebec should now have the courage of their convictions and denounce such betrayal. They must do so, in the name of their principles; they must do so on account of the solemn pledge they made during the last federal election; they must do so for the sake of their electors to whom they gave that pledge, but they must do so also, and perhaps above all, on account of Mr. Duplessis who is responsible for their presence here in the house.

Well, Mr. Speaker, I believe those statements made by my colleague deserve an answer from someone who is a member of the cabinet in this government.

An hon. Member: Hear, hear.

Mr. Martin (Essex East): I do not question the hon. member for Bellechasse's (Mr. Dorion) right to speak. He spoke well and I think very highly of him. I respect him very much, but I think that it should be a responsibility of a minister of the Canadian government to reply at once to a speech as momentous as the one we heard last night, especially in view of the speech made last night in North Bay by the Prime Minister (Mr. Diefenbaker).

I now address myself to the Prime Minister and to the speech he made last night in North Bay.

(Text):

I said, Mr. Speaker, that I thought that the speech of my friend the hon. member for Laurier (Mr. Chevrier) should have been replied to at once by a minister from the province of Quebec. I did not deny that the hon. gentleman who has just spoken was qualified in his own right to express his own views; but it seemed to me that, after the challenge made last night by the hon. member for Laurier, the reply ought to have come from one of the Quebec ministers, particularly in the light of the speech made last night in North Bay by my genial friend the Prime Minister (Mr. Diefenbaker).

Last night when the Prime Minister was in North Bay, he gave the impression that

we were going to have a real dominion-provincial conference. There was no reminder there last night in that happy northern Ontario community of the promise made by the Prime Minister in the elections of 1957 when he told the people of Canada and the people of the province of Quebec that when he became Prime Minister, he would call a dominion-provincial conference and resolve once and for all these fiscal differences between the two senior levels of government. That promise now is gradually, the Prime Minister hopes, evaporating in the clouds, never again to be seen and, he hopes, never again to be referred to. Certainly it was not referred to last night at the meeting in North Bay where, according to the *Globe and Mail* —and I think that would be an authentic bit of reporting—he made the following statement.

> Mr. Diefenbaker said a four-point proposal by the Canadian government would be submitted to the conference. It covers:
>
> 1. The existing fiscal arrangements;
> 2. Future problems of fiscal arrangements and possible alternative approaches;
> 3. Economic and fiscal policies and their impact on intergovernmental financial relations;
> 4. Examination of the fiscal and economic outlook.

Then the Prime Minister went on to talk about national problems. I am sure that as a result of that speech many of the mayors concluded that there is going to be not a conference of the new order, of the new character with a new look but the kind of conference that was promised by the Prime Minister in the elections of 1957, one that was going to resolve once and for all this problem of fiscal differences between the two senior levels of government. But of course we all know now that we have had no conference. The conference which was held and which lasted for two days was adjourned. It was to be reconvened but it was not reconvened. The Minister of Finance (Mr. Fleming), exercising that ingenuity of his, sent a telegram without giving the provinces an opportunity to discuss the terms or the arrangements. Instead, the government may decide not on a conference of governments but on a study group, a seminar, as the Prime Minister indicated last night. We are going to have a conference—although this he did not explain—of officials. He did not explain that. He said, "We are going to have a conference and we are going to deal with these four subjects". He did not say that what we were going to have was simply a study group, a conference of officials which is nothing more, I submit, than a new delaying tactic devised by this government in the face of its heavy deficit position and more particularly at this time devised so that it would not embarrass the premier of Ontario who is engaged in a provincial election.

Mr. Fleming (Eglinton): Shame.

Mr. Martin (Essex East): My hon. friend says "shame". I agree with him and say "shame".

Mr. Fleming (Eglinton): Shame on you, for making such a ridiculous statement.

Mr. Martin (Essex East): Premier Frost has said that he wants another $115 million from this government. He wants it on the basis of a proposal that is now agreed to and supported by all of the provinces, namely on the basis of the new formula, 15-15-50. But because the Minister of Finance and his colleagues would be embarrassed if they were to accede to this request of the premier of Ontario I suppose, politically, they would say at this stage "We cannot accede to your request for $115 million", they have devised the new tactic of having a study group that is going to take place after the provincial election is held in Ontario on June 11 next.

Mr. Chevrier: That is a pet theory of theirs; I refer to study groups.

Mr. Martin (Essex East): No wonder the Winnipeg *Free Press* in an editorial dated Wednesday, May 27 had this to say about the situation which has resulted from Mr. Frost's demand for more money which was not acknowledged by the federal government, particularly in the face of the other demands made on the federal government by other provincial governments, and particularly at a time when provincial elections in the province of Ontario are taking place.

Mr. Nesbitt: It sounds as though the federal Liberals are going to try to help out the Ontario Liberals after all, although not financially.

Mr. Martin (Essex East): The hon. member for Oxford may be very much interested in this matter because he comes from Ontario. I am sure he supports the request of the premier of Ontario for more money from the federal exchequer. I give my hon. friend a chance to say whether or not he supports Premier Frost in his demand for another $115 million. From his silence I take it that he does not acknowledge the offer of an opportunity to indicate this intention but that he joins with me in looking upon this particular demand of Premier Frost indeed as an extremely embarrassing one for this government and also extremely embarrassing at this time for the premier of Ontario.

Mr. Nesbitt: Then you are supporting Mr. Wintermeyer?

Mr. Martin (Essex East): Yes. I am supporting the man who I think is likely to be the next premier of the province of Ontario.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Here is what the Winnipeg *Free Press* said:

At an election meeting in Peterborough the other night, the premier of Ontario again put on the record what he hopes to get from the Conservative government at Ottawa through the dominion-provincial tax-sharing arrangements. Mr. Frost told the meeting that he was still going after Ottawa for $115 million of tax money. "I haven't forgotten it", he said. "A country lawyer hangs onto a thing like a pup to a root".

Ontario Conservatives may applaud Mr. Frost's tenacity;—

Says the Winnipeg *Free Press.*

—but they are unlikely to be joined by Mr. Diefenbaker and Mr. Fleming. Since the Conservatives came to power in Ottawa, they have carefully avoided a full-dress conference on tax sharing. Their reasons are pretty obvious. Mr. Frost is Mr. Diefenbaker's strongest ally in the provincial field.

I would put in parenthesis—and this is not the Winnipeg *Free Press*—that perhaps he is not any longer; I do not know. Then the article goes on as follows:

But if the Ontario premier is given what he asks for, what about the other provinces?

Mr. Diefenbaker is firmly committed to the principle of equalization of tax payments. Just a year ago he promised in Parliament that "every province will receive the same treatment" at the dominion-provincial conference.

So an extra $100 million or so to Mr. Frost would mean proportionately larger payments to the other provinces than they are now getting. But where are the extra hundreds of millions of dollars to come from? The cupboard at Ottawa is bare. Mr. Fleming is now operating with a large annual deficit.

Yet these are the alternatives: Satisfy Mr. Frost and add to the deficit; or leave the Ontario premier still hanging on to his root.

In the circumstances it is little wonder that instead of the full scale conference, Mr. Fleming intends to meet the provincial treasurers in July to talk things over, after which there will be an investigation of federal-provincial relations by experts from Ottawa and the provinces.

This is not, of course, what Mr. Diefenbaker promised—

Mr. Speaker: Order. I allowed the hon. member to read a large section of last night's debate before intervening. Now I think he is going to extremes in his reading of the Winnipeg *Free Press.*

Mr. Fleming (Eglinton): Would you like the dictionary?

Mr. Martin (Essex East): I just have another two sentences.

Mr. Speaker: While editorial comments are permitted they are to be used with moderation. I trust the hon. member has now read all he wishes.

[Mr. Nesbitt.]

Mr. Martin (Essex East): There is just one short paragraph which I think would render the whole editorial a little more apparent than otherwise would appear.

An hon. Member: It is a Liberal paper.

Mr. Martin (Essex East): It does not matter where it is from.

This is not, of course, what Mr. Diefenbaker promised before he was elected. But such a conference, or rather the promise of a conference, serves one useful purpose so far as the Conservatives are concerned. It permits Mr. Frost to talk hopefully of an extra $100 millions in tax revenues, without in any way committing Mr. Diefenbaker or Mr. Fleming to do anything about it.

It is not perhaps without some justification that the heading of that editorial is "Mr. Frost's Bone". That is the whole point. This particular device which the Prime Minister and the Minister of Finance (Mr. Fleming) have created is for the very purpose of not embarrassing Mr. Frost, at the same time being able to offer to the mayors and to the public some justification for not having fulfilled an election promise.

I would like to remind the Minister of Finance that this very study that he has in mind can really serve no valuable purpose. Is the study necessary? Certainly when the premiers met at the last conference they dealt with the proposal that there should be a sort of study. I think the words of the former premier of Manitoba in this connection, supported by the premier of Saskatchewan, deserve to be put on the record. What I am now quoting from is the conference proceedings including Mr. Campbell's statement, where he said:

It is the contention of our government that we do not need at this stage to go into a detailed consideration of new principles—

Mr. Diefenbaker: Who is this?

Mr. Martin (Essex East): Mr. Campbell, a worthy public servant who was entrusted by his people to represent them in the Ontario legislature.

Mr. Fleming (Eglinton): Ontario?

Mr. Martin (Essex East): I am sorry, I mean Manitoba. You see, I am so confident about the result in Ontario that I want to elect everybody.

It is the contention of our government that we do not need at this stage to go into a detailed consideration of new principles regarding our fiscal problems. We have gone through all this several times in recent years. We have had a number of meetings on this question. Our officials have met often to discuss its technical aspects.

Then Premier Douglas is reported at page 79 of the proceedings as having said this:

The fundamental failure of the present fiscal arrangements lies not so much in the method of sharing as in the size of the shares themselves.

I suggest to the Minister of Finance that the discussion which took place at that conference between Premier Frost and Mr. Campbell, which will be found at pages 89 to 92 of the proceedings, indicates clearly that they recognize that the present basis of equalization—that is the average per capita yield of the standard tax rates in the two top provinces—had been accepted by the provinces as a workable compromise. There was no question about that as far as all the provinces were concerned. All the provinces are now in favour of the new formula 15-15-50. So the only question which really remains is that of the determination of the standard tax rates, and that is a decision which cannot be made by the officials either of the provinces or of the federal government. That decision can only be made by hon. gentlemen on the ministerial benches who now look at me. That decision cannot be made by the deputy minister of finance or by corresponding officials in the provincial governments. Does the Minister of Finance not agree that that is the only remaining question, as both Mr. Frost and Mr. Campbell indicated?

Therefore to hold such a conference in the face of the fact that these officials cannot make this decision is only to resort to a delaying tactic, so that when my hon. friend presents his next budget he will then be free to indicate something which he now regards as not being free politically to do, namely to say to Mr. Frost, "We cannot accept your further demand of $115 million." That is the only reason for the holding of this conference of officials on July 6.

Mr. Fleming (Eglinton): If you knew the facts you would think differently.

Mr. Martin (Essex East): I challenge my hon. friend now to indicate I am wrong. I say the only matter now outstanding between the federal government and the provincial governments is to determine the standard rate of tax. That is all that remains, and that cannot be decided by the officials, and my hon. friend the Minister of Finance knows that is the case. There is no need any longer for a long study by officials to answer that question. As a matter of fact, the Prime Minister never talked about a study. He said, "Elect my party and in the month of September we will call a conference and resolve this question once and for all". That is what he told the people of Canada, and that is what the mayors of Ontario understood him to say last night. By the way, when he met them last night he did not say anything about calling a conference at which the municipalities would be present. I see that according to a report in tonight's paper Mr. Mooney, the secretary of that organization, expressed great regret that the Prime Minister would not afford the municipalities the opportunity of participating in a conference.

Mr. Fleming (Eglinton): May I ask the hon. member a question. Is that the Mr. George Mooney who was a Liberal candidate in a recent federal general election?

Mr. Martin (Essex East): I believe that is the same gentleman, and I may say he is a highly trusted gentleman. My hon. friend endeavours to cast some aspersions not only on that gentleman, but he also seeks to indicate that because a man has been a Liberal candidate he is on that account not to be regarded as a trusted and competent official. If my hon. friend the Minister of Finance does not have the same appreciation of Mr. Mooney that others have, he should note that at the conference at which the Prime Minister spoke last night to the mayors of our country thought enough of Mr. Mooney to continue him as secretary of their organization. What the Prime Minister did last night was to say, "Don't worry; we'll look after the municipalities. We realize you have heavy obligations to meet. We will take care of your interests as we sit down at the table with that demanding man, Mr. Frost".

Mr. Diefenbaker: Mr. Speaker, I do really enjoy the frivolities, but when the hon. gentleman proceeds to quote what I said in that direction, perhaps he will quote me rather than rely upon his fantastic and imaginative interpretation.

Mr. Martin (Essex East): I will very gladly quote what the Prime Minister said, but it will require my looking at the second page of my hon. friend's official journal.

Mr. Fleming (Eglinton): Try page 10.

Mr. Martin (Essex East): Page 10 says: "Conservatives having difficulty in industrial relations committee."

An hon. Member: Turn to the funnies page.

Mr. Martin (Essex East): So that my time shall not be wasted I will ask my colleague to look for it.

The real issue in this situation is that the differences which prevail between the provinces and the federal government have resolved themselves into one single question.

That question can only be decided by governments; it cannot and will not be decided by officials. All the facts which will be elicited at a meeting of officials in July will merely confirm, as Premier Douglas and Premier Campbell indicated, what they already have in their treasury offices.

Why does not the Minister of Finance now, before June 11, next Thursday, indicate frankly to the people why there has not been a conference called and why this problem is not finally resolved? Let the Prime Minister be as frank now with the Canadian people and with the parliament of Canada as he was during the election. Let him tell Mr. Frost why he cannot get his $115 million or, if he is going to get it, when he may expect it, instead of continually ignoring parliament and refusing to indicate why a promise solemnly made should not be carried out. Oh, the Prime Minister, that great actor, is obviously very irritated by what I am saying and expresses his irritation by laughter.

When he spoke to the municipalities, this is what he said, this is the report which was made:

> Mr. Diefenbaker assumed that in the forthcoming conference the provinces would naturally present the viewpoint of the municipalities. There was no indication by the Prime Minister that a federal-provincial-municipal conference would be suitable.

That is not what the Prime Minister told the mayors of Canada; that is not what he said when he told the municipalities: you are poor, and added that the federal government was rich. That is not what he told them during the election. He told them then that he understood their problems and would see to it that assistance was given to them from the federal exchequer to enable them to carry on and discharge their responsibilities. That was not the same thing as the Prime Minister indicated when he stood in Massey Hall in 1957. Mr. Frost put his hand on his shoulder, then and said: "There's my boy; he's going to give me my $115 million and I am going to see to it that we have a conference where these problems will all be resolved". Mr. Frost was waiting for this conference all last fall, and when, one day, he picked up the *Globe and Mail* and saw in the speech from the throne that there was not going to be a conference, I presume he called the Prime Minister at once and asked him: "How am I going to get out of this?" Of course, I am imagining some of this. And the Prime Minister said to the Premier of Ontario: "Don't worry, I will get you out of this. Donald is going to have a seminar; he is going to hold a study group. We will study this problem, and by the time the study is over the provincial elections in Ontario will be over and we shall be able, afterwards, in a statesmanlike way, to resolve this problem, not in the interests of the Conservative party but in the interests of the people of Canada."

An hon. Member: Hear, hear.

Mr. Martin (Essex East): That is what the hon. gentleman will say after this conference, and as sure as I am standing here now the Prime Minister of Canada and the Minister of Finance have no more intention of giving Mr. Frost his additional $100 million than I have of walking across this floor and sitting as a permanent supporter to the right of the Minister of Finance.

Let this government stop dodging this issue. Let them recognize that the only remaining difference is one which governments alone can settle, and let them once and for all face up to this problem of dominion-provincial relations as the government of Canada was expected to do by the electorate when this administration was entrusted with office in June of 1957 and March of 1958.

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

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I do not for a moment pretend that in the two minutes which remain prior to the adjournment at six o'clock I can hope to do justice to the remarks which have just entertained us and enlivened the proceedings of this house, let alone to the remarks which have preceded the stirring and memorable observations which have just issued in a torrent from the mouth of the hon. member for Essex East (Mr. Martin).

I think I shall content myself, in these few remaining seconds, by saying that the hon. member for Essex East was undoubtedly at his theatrical best today. The flights of imagination were simply superb. We have grown accustomed to expect these flights in the airy realms of fiction, but today the hon. member was undoubtedly at his incomparable best. It was a demonstration, indeed, of an hon. member preaching without a text.

It was a wandering exposition. The hon. member included some Liberal padding by reading from the Winnipeg *Free Press* and from speeches made by his colleagues. Subtracting that padding from his remarks, they seemed to come down to this—that the hon. member is a self-confessed imaginative citizen.

On motion of Mr. Fleming (Eglinton) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader of the house what the business is to be tomorrow?

Mr. Green: We should like to finish this debate and then go on with the estimates of the Department of Public Works and the estimates of the Department of Fisheries. On Monday we would take a supply motion with, by agreement, a vote at 8.15 p.m. I cannot tell the house what the business will be for next Tuesday as yet.

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

Questions

ANSWERS TO QUESTIONS

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

NORTHERN AFFAIRS AND NATIONAL RESOURCES—U.S. EXECUTIVE PERSONNEL

Question No. 395—**Mr. Argue:**

1. Are any of the positions which American citizens presently hold, or have held, in any branch of the Department of Northern Affairs and National Resources, (a) at the policy making level; (b) of officer status?
2. If so: (a) What is the name of the person in each case? (b) What is the position so designated, and the duties for which each is responsible?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. (a) No. (b) Yes.

2. (a) Barry, T.W., MacNeish, R.S., Langston, W., Crum, H.A., Oschinsky, L.

(b) Biologist, 1, ornithology; Biologist, 5, archaeology; Biologist, 3, palaeontology; Biologist, 3, national herbarium; Anthropologist, 2, archaeology.

COMPRESSOR STATION CONTRACTS, NORTHERN ONTARIO

Question No. 412—**Mr. Badanai:**

1. Has a contract been awarded for the construction of three compressor stations at Geraldton, Ignace and Parthia?
2. If so, to whom?
3. What was the contract price?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. A contract has been awarded for the construction of each of the three compressor stations.

2. Geraldton, station No. 80: The Fluor Corporation of Canada Ltd., Toronto, Ont. Ignace, station No. 58: Canadian Comstock Company Limited, Leaside, Ont. Parthia, station No. 92: Refinery Engineering Limited, Toronto, Ont.

3. Geraldton, station No. 80: estimated price, $1,103,430; Ignace, station No. 58: estimated price, $987,612; Parthia, station No. 92: estimated price, $1,032,726.

ILE AUX NOIX AND FORT LENNOX, QUE.—PUBLIC WORKS

Question No. 417—**Mr. Dupuis:**

1. Since June 1958, has the Department of Northern Affairs and National Resources, or any other agency of the federal government, given orders for the carrying out of any work on Ile aux Noix and at Fort Lennox?
2. If so, what work is involved?
3. Were tenders called for this work?
4. If so, what are the names of those who submitted tenders and the amount of each tender?
5. How many men are employed on such work?
6. Are they paid by the government or by individuals?
7. When will such work be completed?
8. What will be the aggregate cost of the said work?

Supplementary answer by: **Hon. Henri Courtemanche (Secretary of State):**

An answer to the above question was printed in House of Commons debates of May 26, 1959 at page 4060.

The question was incompletely answered and the following part answer was omitted in the original answer.

1. The Department of Northern Affairs and National Resources requested the Department of Public Works on January 13, 1959, to construct a wharf on Ile aux Noix, on the site of the existing wharf.

2. The removal of the existing timber structure and its reconstruction to a length of 80 feet and a width of 20 feet.

3. Tenders are to be called on June 10, 1959.

4, 5, 6 and 7. Answered by No. 3.

8. The work is estimated to cost $21,000.

HOUSE OF COMMONS

Thursday, June 4, 1959

The house met at 2.30 p.m.

THE MINISTRY

ANNOUNCEMENT OF APPOINTMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to inform the house of a change in the ministry, in that the hon. member for Vancouver Quadra was sworn in this morning before His Excellency the Governor General as Secretary of State for External Affairs.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I might add, Mr. Speaker, that seldom when I rise does there seem to be this degree of unanimity in the response. I must express my own thanks for the manner in which the house has received the announcement.

I might add something more. I know hon. members in the opposition particularly would not want to be denied the opportunity of questioning the new minister when the public works estimates are before the committee, and until the conclusion of those estimates he will also continue to discharge his responsibilities as Minister of Public Works. I think I should add as well that until the end of this session, in any event, he will remain in his position as house leader.

I say no more than that. I simply wanted to place before the house this change. I merely add in the simplest words, and I know I speak for the members of this house and the people of Canada as a whole, my hope that in the discharge of this new field of responsibilities his achievements of the past will be maintained in the future.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, my first reaction on hearing this news is the feeling that in due course, because of the heavy responsibilities of his new post as Secretary of State for External Affairs, as well as Minister of Public Works, he will probably have to give up the house leadership.

I want to assure him that if and when that happens we shall miss his kindly advice and his engaging admonitions. He will no doubt reserve them for international assemblies in the future.

We on this side of the house wish him well in a post which, I know from some experience, is as exacting as it is rewarding. There can, I think, be no greater privilege and perhaps no greater responsibility for a Canadian than that of speaking for his country in the councils of the world and to have what I might call a primary responsibility, under the Prime Minister, for shaping foreign policies at a time when everything we hope for—our destiny, our very existence—depends on the success of those policies in maintaining peace and strengthening security.

The minister, who has the regard, the esteem and perhaps I can say the affection of every member of this house, can be assured of our good will and our good wishes in his new work. He can also, I think, expect to receive—and I am speaking now for the official opposition—our support in every strong and forward-looking Canadian move that he may initiate to keep our country's position high and respected in the world and in pursuing the objectives that we all share, whatever the party to which we may belong, namely good relations among all peoples in a world of peace and freedom.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of this group and on behalf of the people of British Columbia, as the hon. member for Kootenay West and as the honorary president of the 54th Kootenay battalion association, and as a former comrade in arms—something of which I am always proud—I extend sincere and warm congratulations to the minister on his appointment as Secretary of State for External Affairs.

While all members of this house wish him well and every success with his new responsibilities, the people of Kootenay West, regardless of party, will derive a particular satisfaction and pleasure from his appointment to this high office. The residents of his home town of Kaslo, where he was born, will be proud of this further distinction bestowed on a native son. His old comrades in the 54th Kootenay battalion will rejoice in his opportunity to serve in the front line of international affairs.

Mr. Speaker, the minister faces heavy responsibilities and tremendous issues and problems—and he has our good will in that respect—which include consideration of the abandonment of nuclear tests; proposals for progressive disarmament as the result of negotiation and agreement; the churning problems of the Middle East and the Far East. Those problems will tax his patience and

his ability to the limit. In facing those problems the C.C.F. believe that Canada can best play a positive role and exercise a positive influence for peace by pursuing an independent but co-operative policy in international affairs.

This appointment provides the minister with an opportunity to paint some large brush strokes on the canvas of Canadian history to complement the many finer lines he has drawn during his long service as a member of this house and a member of this government. We sincerely hope, Mr. Speaker, that from this appointment, this opportunity and the essence of the minister's recognized ability and trustworthiness will be distilled solid achievements toward the building of world peace.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, as one who has been in the political wars for nearly a quarter of a century I am really deeply touched and find it almost impossible to express my feelings. I am moved by the kind words spoken this afternoon, first by my old friend the right hon. Prime Minister. We have stood side by side in many a hectic debate in this house since 1940, 19 years ago, and for one very happy term we shared a desk. I believe it was the one now occupied by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and the hon. member for Kenora-Rainy River (Mr. Benidickson).

Mr. Benidickson: The wheels will turn, and they will turn again.

Mr. Green: Mr. Speaker, I am beginning to think there is something wrong with that desk, because it seems to house troublemakers now just as it did before; or perhaps I should have said "keen critics".

The words of the Prime Minister today will, I am sure, make hon. members realize what an inspiration it is to serve under him in the cabinet. These have been two very happy years, largely because of his inspired leadership.

The Leader of the Opposition, we all agree —though we do not always like to admit it— is one of Canada's great statesmen.

Some hon. Members: Hear, hear.

Mr. Green: He is a Canadian who has made a great contribution in world affairs, and I am particularly grateful for the words of encouragement he has given me today after all his years of service in the Department of External Affairs. He has that happy personality and friendly way which have done so much to make this parliament a friendly parliament, the friendliest parliament in which I have had the privilege of serving.

[Mr. Herridge.]

Some hon. Members: Oh, oh.

Mr. Green: Mr. Speaker, that was intended to be serious. As for the hon. member for Kootenay West (Mr. Herridge), I am very touched by his remarks. As he has said, we were comrades in the 54th Kootenay battalion in the first war. About 44 years ago we enlisted in the city of Nelson in the same company, and from those days on there has been a great friendship between us. When he spoke today I think he spoke with a little bias in my favour. However, I shall pay great heed to the sage words he has uttered this afternoon.

I am also very grateful for the response given by the other members of this House of Commons. Sometimes I think we do not fully appreciate the great strength, for our nation, of parliament. It has become a commonplace in a way, and we do not always realize how vitally important it is in the life of a democratic nation. Last night I was thinking of some of the days in parliament since I have been here. About 19 years ago there was a terribly black day when France was falling and Hon. Norman Rogers was killed in an aeroplane crash. Because of that crash Canada lost one of her most promising public men. Everything was black; I have never known such a black day in my life. Yet there was no one in this house or in the Senate who spoke of surrender or defeat. The sitting was postponed for an hour because of the tragedy of Norman Rogers' death, but on that occasion, as on so many other occasions during the war, this house faced the terrible problems of the time and, I think, was a splendid example of what parliament should be.

I should like hon. members to feel that in this new post I shall always look to the house for help and guidance. After all, we have here a gathering of the representatives of Canadians from coast to coast, a great body of representatives who come to this assembly, and moving together I believe we can solve any problem which faces the nation. In these words I should like to include the members of the Senate—I know Your Honour will overlook it if I do not refer to them as members of the other place. They too have made a splendid contribution, and their old friends in the commons have often taken this little walk down to the other end of the building to visit them. In that body there is a wealth of experience and a wealth of common sense. I know that any secretary of state for external affairs will receive help from the members of the Canadian Senate.

It is rather thrilling to be in a position to represent one's nation, particularly when

that nation happens to be Canada. Those hon. members who served in the first world war will remember the magic of those six letters "Canada" on their shoulder straps, and I am sure there was the same pride in the minds of young Canadians who carried those letters in the second world war. It will be a wonderful thing to be in a position to speak for Canada; but as the Leader of the Opposition and the hon. member for Kootenay West pointed out, in these days it is not sufficient to have great pride in one's nation. We all realize that world events have moved so far in recent years that now the main thing is co-operation among all the nations of the world.

In this new post it will be my endeavour to keep that in mind at all times and to do my part to see to it that Canada maintains the high position in which she has been placed by my predecessors in this office.

I would not like to close without a word about my predecessor, Hon. Sidney Smith. Only those of us who sat with him in cabinet meetings could fully appreciate the sterling character of the man, a great individual. He came here from the presidency of the largest university in Canada with a record of achievement in the university field which I do not think has been excelled at any time in our country, and took on this portfolio. I am convinced that he accepted the portfolio in the belief that he should at least do his part to further the cause of peace in the world. While he was not privileged to carry on for a great length of time I know we will all agree that he did maintain the traditions of that post, that he set a very high standard, and that his service here was not in vain. In the days ahead I shall be trying to keep on the trail which has been blazed by Hon. Sidney Smith. I thank the hon. members very much.

TRANSPORT

GREAT SLAVE LAKE—COMMISSION TO INQUIRE INTO ROUTE OF PROPOSED RAILWAY

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish now to reply to a question asked by the hon. member for Mackenzie River and in conjunction with the reply to make an announcement. The hon. gentleman asked me a question with regard to a statement made by the Minister of Northern Affairs and National Resources in an article respecting, as it is stated in the article—

> —the federal government's decision that a railway connection is to be extended to the south shore of Great Slave lake.

I would point out that in so far as that announcement was concerned there was nothing unusual in it, in that it had been specifically dealt with in the speech from the throne in 1958. With the leave of the house I should like to refer to one sentence in that speech from the throne preparatory to the statement I wish to make. The speech from the throne is recorded at page 5 of *Hansard* of May 12, 1958. These words were included in those uttered by His Excellency the Governor General:

> In order to promote our national development on the frontier in the north you will be asked to authorize the construction of a railway to Great Slave lake. My ministers regard this as a major step in the establishment of productive industry on an economic basis in the Northwest Territories.

Since that date the fullest consideration has been given to this question and a number of suggestions have been made as to alternative routes. There have been two major suggestions and I understand eight other alternatives. The proponents of each of these several projected routes have advanced their arguments in support of the particular venture or project which they have in mind.

With a view to hearing the representations that have been and can be made, and reviewing them, the governor in council has set up an inquiry under part I of the Inquiries Act to deal with the alternative routes for a railway line from northern Alberta to Great Slave lake. I ask leave to table copies of the order in council, the material section of which sets out the powers in question:

> —to inquire into and report upon the respective merits of the alternative routes which might be followed by a railway line to be built from northern Alberta into the southern portion of the district of Mackenzie, Northwest Territories, for the purpose of providing access to and contributing to the development of that portion of the territories tributary to Great Slave lake.

The commission in question will consist of three men, Mr. Marshall Manning, Q.C., of Edmonton, Mr. W. D. Gainer, an agricultural economist from the University of Alberta in Edmonton, and Mr. John Anderson-Thompson of Yellowknife, Mr. Manning being the chairman of the inquiry. I hope this group will be able to start a full inquiry very shortly, and will be able to report at as early a date as is convenient and possible.

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I am sure that upon hearing this announcement the people of the Mackenzie River district will be very sad indeed, when they consider that during the last election campaign there was no talk of which route would be followed. The route was chosen. I am sure this is another means of stalling the building of the railway, and I am certain that the people of Mackenzie district will look upon it in that way.

Proposed Legislation

Mr. Speaker: Has the Prime Minister leave to table the order in council?

Some hon. Members: Agreed.

PUBLIC SERVICE

CIVIL SERVICE COMMISSION—ANNOUNCEMENT OF APPOINTMENT OF CHAIRMAN

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, while not announcing the appointment as of this date I wish to advise that the government has decided to appoint as chairman of the civil service commission Hon. Samuel Harvey Shirecliffe Hughes, now a justice of the high court of justice in the province of Ontario, the appointment to become effective on the termination of the present legal term on June 30. At that time his resignation will become effective and the appointment as chairman will begin on the next day.

Mr. Justice Hughes received his early education at Stoke Clark preparatory school, Guildford, England, and Stowe school, Buckingham, England. In Canada he attended Upper Canada College and the University of Toronto. He then attended Oxford, receiving his master of arts degree and became a Queen's counsel in 1955. In the same year, following a successful law practice, he was appointed chairman of the Ontario highway transport board, a position he held until his appointment as a justice in June of 1958. Mr. Justice Hughes, as I said a moment ago, will continue his services as a justice to the end of the term, when his resignation will become effective, and he will then be in a position to take over this high and responsible post.

INCOME TAX

AGREEMENT BETWEEN CANADA AND FINLAND FOR THE AVOIDANCE OF DOUBLE TAXATION

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. C-54, to implement a convention between Canada and the Republic of Finland for the avoidance of double taxation with respect to income tax.

Motion agreed to and bill read the first time.

PUBLIC SERVICE

CONTINUATION OF INCREASED PENSIONS FOR SUPERANNUATED CIVIL SERVANTS, ARMED FORCES PERSONNEL AND MOUNTED POLICE

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure respecting the adjustment of certain public service pensions to provide for increases, on a continuing basis, in certain pensions being paid to former civil servants, members of the armed forces, members of the Royal Canadian Mounted Police or their dependents; and to provide that the said increases shall be paid out of the consolidated revenue fund.

[Mr. Hardie.]

Motion agreed to.

EXTERNAL AFFAIRS

PASSAGE OF SOVIET FREIGHTER THROUGH ST. LAWRENCE SEAWAY

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the new and distinguished Secretary of State for External Affairs arising out of a newspaper report in the Montreal *Star* of May 30, in which it is stated that permission has been granted by the United States treasury department for the passage through the St. Lawrence seaway of the Soviet freighter *Ivan Moskvin,* bound for Sarnia, Ontario, to pick up a cargo of carbon black, and that the Canadian and Soviet embassies have been informed of this decision. Would the minister care to comment on this report? Can he assure the house that the passage through the St. Lawrence seaway of a foreign vessel bound for a Canadian port will not depend upon any decision of the United States government?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for having given me written notice of this question. I have seen the report in the Montreal *Star* to which the question refers, and it is not entirely accurate. My understanding of the situation is that Soviet representatives asked the United States authorities whether a Soviet vessel would be allowed to use the United States locks in the St. Lawrence seaway. In due course they were told that if an application were made to the seaway administration for the use of the United States facilities by this particular vessel, there would be no objection. The hon. member will, I am sure, appreciate that neither Canada nor the United States has treaty obligations with respect to shipping and commercial arrangements with the Soviet union.

It is, of course, correct that United States permission is required for any vessel to pass through United States waters and facilities, just as Canadian permission is required for any vessel to pass through Canadian waters and facilities.

I would prefer, Mr. Speaker, not to comment on this matter further at the present time.

FINANCE

PROPORTION OF LATEST TREASURY BILL ISSUE PURCHASED BY BANK OF CANADA

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, can the Minister of Finance inform the house as to the percentage of the issue of one year treasury bills, which the minister announced in this house on Tuesday evening had been heavily oversubscribed, has been tendered for by the Bank of Canada and allotted to that bank?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, it has never been the practice to disclose the purchases by the Bank of Canada or by any other subscriber to any federal obligations of any kind.

Mr. Robichaud: Is it correct to say that $50 million or over 25 per cent of the $200 million has been allotted to that bank?

Mr. Fleming (Eglinton): The same answer, Mr. Speaker.

INQUIRIES FOR RETURNS

CHIPPEWA INDIAN RESERVE, SARNIA—SALE OF LAND

On the orders of the day:

Hon. Paul Hellyer (Trinity): Is the Minister of Citizenship and Immigration now in a position to table the contract with Dimensional Investments Limited respecting the Chippewa Indian reserve?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I shall look into the matter. I have not yet acquired the information.

Mr. Hellyer: Can the minister tell the house why it is taking so long to duplicate a single contract, something which could be done by anyone in half an hour?

FEDERAL CONTRIBUTIONS TO PROVINCES—CONDITIONAL PAYMENTS

On the orders of the day:

Mr. Azellus Denis (St. Denis): I should like to direct a question to the Secretary of State. A few weeks ago he made one of my questions an order for return. May I inquire of the Secretary of State if I am going to get a return this year?

(Translation):

Hon. Henri Courtemanche (Secretary of State): Mr. Speaker, I have so many requests on matters of all kinds that if the hon. member would at least give me the number of his question, I might be in a position to make the necessary inquiry.

Mr. Denis: It is question No. 398, Mr. Speaker.

(Text):

INDIAN AFFAIRS

CHIPPEWA RESERVE, SARNIA—INQUIRY AS TO EXPROPRIATION PROCEEDINGS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct another question to the Minister of Citizenship and Immigration. Did the minister receive an application from Ontario hydro for permission from the governor in council to institute expropriation proceedings on the Chippewa Indian reserve at Sarnia?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): No, Mr. Speaker.

BUSINESS OF THE HOUSE

REQUEST FOR TABLING OF ORDERS IN COUNCIL UNDER EXPORTS CREDITS LEGISLATION

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Minister of Trade and Commerce concerning the business of the house, and arising out of the announced intention of the government to bring forward a bill to amend the export credits insurance legislation. The minister will recall that under section 21 of that act provision is made for the tabling in the house of the orders in council required to be passed in connection with a certain class of insurance contract.

According to sessional paper No. 122N of February 17, 1959, there were two such orders in council passed concerning the sale of grain to Israel and to Poland. So far as I am able to ascertain these orders in council have not been tabled; I can find no record of them. Would the minister see that these orders in council are tabled, and any other orders in council that the act may require to be tabled, before the legislation comes forward for consideration in the house?

Hon. Gordon Churchill (Minister of Trade and Commerce): Yes, Mr. Speaker, the matter will be looked into immediately.

AGRICULTURE

CHEESE—ALLEGED PRICE DISPARITY BETWEEN QUEBEC AND ONTARIO

On the orders of the day:

Mr. Augustin Brassard (Lapointe): I have a non-political question which calls for a non-political answer from the Minister of Agriculture. I must apologize for not having given him notice of my intention to ask this question. I should like to ask my question in French, so I wonder if he would use his hearing aid.

Inquiries of the Ministry

(Translation):

Mr. Speaker, in view of the representations made to the minister by the Catholic Farmers' Union of the Saguenay-Lake St. John area concerning the substantial losses incurred by the producers of that area; in view of the minister's statement about the support prices paid on cheese f.o.b. Montreal, and in view of the fact that in Ontario support prices on cheese are paid at the receiving centre for those products, would the minister consider—and I ask him with due respect—looking into the possibility of granting to producers in the Saguenay-Lake St. John area the same privileges as are granted to Ontario producers?

(Text):

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I think you and the hon. members realize that all my answers are agricultural and not political. I do not believe the phrasing of the first part of this question falls within that category. There have been no enormous losses, as mentioned by the hon. member, suffered by the cheese producers in any area in Canada as a result of the recent changes in the stabilization program. On the contrary, the cheese producers are getting nearly a cent a pound more than they were getting before. In other words they have gained rather than lost as a result of the changes which were made effective May 1 of this year.

So far as the price paid for cheese in Ontario and in Quebec is concerned, traditionally there has been a difference of half a cent a pound, and that difference remains. It has existed for many, many years. The price paid is at warehouses in both cases and not, as I believe the hon. member stated or implied, at different types of establishments.

Mr. H. W. Herridge (Kootenay West): May I ask a supplementary question. Would the minister admit that on some occasions his answers are somewhat floricultural?

Mr. Harkness: The hon. member knows much more than I do about floriculture and horticulture, so I shall leave him to make his own deduction.

Mr. Brassard (Lapointe): May I ask a supplementary question of the Minister of Agriculture. In view of the fact that he agrees that the producers in my region are losing half a cent a pound, I wonder if he would at least assure me that he will have the matter investigated and give a report in due course.

Mr. Harkness: I did not agree that the producers in the area are losing half a cent a pound. As I indicated, they are getting about 8/10 of a cent more per pound now than they were last year. This differential of half a cent a pound has existed traditionally for many years and results from what the people are willing to pay in the market for cheese in these various areas.

RESEARCH

REPORTED EXCHANGE OF RUSSIAN AND CANADIAN GROUPS

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): I should like to direct a question to the minister of northern affairs in regard to an article appearing in today's Ottawa *Journal* to the effect that it is the intention of his department to send groups to study research in northern Russia and to have a Russian team visit the Canadian Arctic. I wonder if the minister could tell the house if this Russian team will get permission to do this from his department or from the United States government?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I think the hon. member has been in the house long enough to know the answer.

NATIONAL DEFENCE

BOMARC MISSILE—REPORTED REDUCTION IN U.S. APPROPRIATION

On the orders of the day:

Hon. Paul Hellyer (Trinity): Will the Minister of National Defence comment on a Washington dispatch to the effect that the cut in the appropriation for the Bomarc program was in the appropriation for the Bomarc "B" ground to air missile?

Mr. Speaker: I take it the hon. member is referring to appropriations of the United States congress?

Mr. Hellyer: That is correct.

Mr. Speaker: That scarcely seems to be a matter under the jurisdiction of the Minister of National Defence.

[*Later:*]

Mr. Hellyer: Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister in mind a satisfactory alternative to the Bomarc missile in case that missile should, under any circumstances, not become available?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the Minister of National Defence has many alternative plans in his mind to meet the various changing situations that may develop.

TRADE

INQUIRY AS TO FRENCH EDITION OF "TRADE AND COMMERCE"

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, last Monday, June 1, I asked the Minister of Trade and Commerce if he could give me a reason why *Commerce Exterieur* is not an exact translation of *Trade and Commerce*, and why it is published monthly when the other one is published bimonthly?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, *Foreign Trade* and its French language counterpart, *Commerce Exterieur*, is a publication of the Department of Trade and Commerce devoted almost exclusively to the promotion of Canadian export trade. The circulation of *Commerce Exterieur* has always been small, despite repeated efforts to increase it with the co-operation of the chambres de commerce in the province of Quebec and the Quebec department of trade and commerce. The paid circulation during the fiscal year 1958-59 was 183 subscriptions. On this basis, with printing costs amounting to nearly $10,000, average cost per subscriber was just over $54 per year.

In the light of these circumstances the department came to the conclusion that it was not justified in producing *Commerce Exterieur* as frequently as the English language counterpart. Therefore in February 1954—and I ask hon. members to note the date—when *Foreign Trade* was changed from weekly to once every two weeks, the publication of *Commerce Exterieur* was altered to once a month. Its content differs from that of *Foreign Trade* only in that certain material of secondary importance is omitted.

Mr. Caron: I have a supplementary question. Why is it that the subscription price is the same for both?

Mr. Churchill: Mr. Speaker, I will have to investigate that matter and find out the answer.

NORTHERN AFFAIRS

REPORTED PRODUCTION OF FILM OF CANADIAN ARCTIC

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Northern Affairs and National Resources. Is the minister aware that a European film company is producing a film in the Canadian Arctic? If so, will the minister tell us whether this company received permission to go to the Arctic from his department or from United States authorities.

Dominion-Provincial Relations

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I will take this question as notice and give it all the attention it deserves.

PUBLIC BUILDINGS

OTTAWA—STATEMENT ON DEMOLITION OF BUILDING TO PROVIDE PARKING AREA

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Vancouver East (Mr. Winch) asked whether the old Free Press building was being demolished to make way for a parking area for the Bank of Canada.

My answer is that the property in question is owned by the Bank of Canada and does not come under the jurisdiction of the Department of Public Works.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

FURTHER EXTENSION OF INCOME TAX RATE

The house resumed from Wednesday, June 3, consideration of the motion of Mr. Fleming (Eglinton) for the second reading of Bill No. C-41, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, no one can suggest that the subject of dominion-provincial fiscal relations has not received plenty of debate in the course of the present session. On February 9 and 10 the house debated an opposition amendment to a supply motion on this subject. On March 11 I introduced the resolution preceding the present measure. It was debated that day and again on April 30, when the present bill was given first reading. The debate on second reading was continued on May 6, June 2, 3 and 4. The result of this protracted debate over a quite simple and clear measure has been that since March 31 the provinces, which are anxiously waiting to receive the benefit of the present measure, have been deprived of the benefit of the increased payments which it would provide.

It is perhaps not amiss at this point in the debate to recall what is the principle of this measure. It is to provide an increase in the payments out of the federal treasury to the provinces. It is to provide a division of the yield from the standard taxes which will be more generous to the provinces. Notwithstanding our own federal budget problems we believe, and show in this measure that we believe, more generous provision should be made for the provinces than was made under the Liberal regime that preceded us. We said so during the debate on the

Federal-Provincial Tax-Sharing Arrangements Act in the session of 1956. In proceeding as we are in this present measure we are carrying into statutory fulfilment the statements we made at that time.

Mr. Chevrier: Will the minister allow a question?

Mr. Fleming (Eglinton): I am afraid, Mr. Speaker, that I shall be obliged to ask the hon. member to defer his question. I am working under a time limit. There will be a committee stage after this debate is concluded, and I shall be glad to deal with the question then.

When we came into office in 1957 we found nine agreements entered into between the dominion and the provinces in pursuance of this legislation. However unsatisfactory that legislation may have been, however unwillingly many of these provinces entered into those agreements, nevertheless those agreements were a fact and there could be no suggestion of any repudiation thereof. Those agreements in all cases run for the five-year period that the legislation is in effect, to March 31, 1962. That fact, namely the fact of the existence of the nine agreements, is something that must be taken into account by anyone who approaches fairly this present situation in the light of the statements made in the debates in this house in 1956 when the legislation was before the house.

It is a strange scene that we have witnessed in this house, Mr. Speaker, in the course of this debate. Those opposite, who in the days when they were in power were unyielding and unbending in the face of the pleas of the provinces and the municipalities, those same hon. gentlemen who took a highhanded, take it or leave it attitude in dominion-provincial conferences—

Mr. Pearson: Send them a telegram.

Mr. Fleming (Eglinton): —now seek somehow to cajole this house and the Canadian people into thinking they have become the champions of the rights of the provinces. Mr. Speaker, it will take a better effort than they have been able to put up in this debate to make that pretence stick. They will need a better disguise than the one they have donned in the course of this debate. The clothes they have attempted to wear in this debate do not fit them at all. After their record they will never be able to appear in this house as champions of the rights of the provinces. They pretend now that more should be done for the provinces. Our answer must be put very simply in the form of a now famous question, Mr. Speaker, and I direct it to them: "Why didn't you do it?"

Mr. Pickersgill: We did.

[Mr. Fleming (Eglinton).]

Mr. Fleming (Eglinton): You did not.

Mr. Pickersgill: We did in 1956, as the minister knows.

Mr. Fleming (Eglinton): This measure which is before us today would not now be before the house at all if hon. gentlemen opposite had done what they should have done in 1956. How it galls them to be reminded of these simple facts, Mr. Speaker. Their whole attitude in this debate has been one of pretence.

The hon. member for Essex East yesterday made his great plea for the municipalities of this country. I say to that hon. gentleman, when he was a member of the government why did he not do it? Why did not his government do it? And I put these same questions to such hon. members as the hon. member for Laurier (Mr. Chevrier) and the hon. member for Bonavista-Twillingate (Mr. Pickersgill) who have spoken in this debate about the provinces. The fact that Newfoundland is so much better off today than it was in the days when the hon. member for Bonavista-Twillingate and his friends constituted the government obliges one to ask why, in the face of this hypocritical pretence that they have been making in this debate, they did not do something to help out Newfoundland when they were in office.

Mr. Chevrier: The hypocrites are over there.

Mr. Fleming (Eglinton): They had a majority. They had surpluses. They had easier conditions to deal with. They could have done much more, but they did not do so. They did not do more because of a deliberate decision on their part. Now they pretend to be the big-hearted friends of the provinces. No province is going to be taken in or fooled or misled by this empty pretence and hypocrisy.

But for the change of government in this country in 1957 the provinces would have received nothing more than what was given to them in the legislation of 1956, namely the Federal-Provincial Tax-Sharing Arrangements Act; not another cent.

Let me remind the house of the benefits which have accrued to the provinces, and through them to the municipalities, since this present government took office in June, 1957. In the first place—

Mr. Pickersgill: Mr. Speaker, I rise on a point of order. Your Honour will recall that when those of us on this side of the house were attempting to debate this matter the minister said the principle in the measure was an increase from 10 to 13 per cent. The minister is now attempting to debate all sorts of matters of history which in our view do not have anything to do with the bill, and on which we were not allowed to talk.

Mr. Fleming (Eglinton): Ever since this debate began, Mr. Speaker, hon. members opposite have strayed widely all over creation in the course of debate and have gone further and further astray as the debate has proceeded. We have now reached the eighth day and they are proposing something which, if it had any relevance at all in their mouths, should have been proposed and acknowledged by them some months ago.

Mr. Speaker: I am not sure exactly what subject the hon. member was objecting to, but it is true that this has been a broad debate not limited strictly to the 3 per cent increase. Hon. members have taken the opportunity of presenting the amendment in its setting in the whole field of federal-provincial fiscal relations. As I say, I am not sure just what the objection is at the moment, but I do not see any error of debate.

Mr. Chevrier: Mr. Speaker, on the point of order, if I may; the measure before the house is the amendment to clause 12. While I am not arguing that the Minister of Finance should not be allowed to go beyond that clause, I think the point which my colleague the member for Bonavista-Twillingate is making is this, that while the minister should be allowed some latitude in dealing with clause 12, he should not be allowed to discuss the whole field of federal-provincial relations. If Your Honour rules he should, it is all right with us; but there will be another opportunity, I take it, and I presume the same treatment will be meted out to us.

Mr. Speaker: As long as the minister keeps within the matters which have been discussed so far in this debate I am sure no objection will be taken by the hon. member who has just spoken. I have not yet noticed the minister going beyond them.

Mr. Pickersgill: Mr. Speaker, on the point of order may I draw Your Honour's attention to what the minister said on May 6, as reported on page 3394 of *Hansard*, the first column. He said:

> **The other provisions of the Federal-Provincial Tax-Sharing Arrangements Act continue without change.**

I might say this was when he was taking one of the seven points of order which he took when I was speaking. He continued:

> **There is no change made in the agreements which have been entered into between the federal government and the provincial governments in pursuance of the act. All this does is to enable the federal government to pay to the provinces this additional 3 per cent yield from the personal income taxes for the present fiscal year. That is its complete effect, no more, no less.**

I am suggesting that the minister, having taken a point of order, should abide by what he himself said was the point of order.

Mr. Chevrier: Hear, hear.

Mr. Speaker: I think the hon. member would agree that in a speech in reply the minister is entitled to refer to the matters which have been raised by the other side of the house.

Mr. Pickersgill: Would Your Honour agree that we are entitled to harass the minister to the same extent that he has harassed us?

Mr. Fleming (Eglinton): I had thought, Mr. Speaker, that there was no question of "harris-ing" in connection with this subject any more in this house.

Mr. Pickersgill: That is a very poor pun.

Mr. Fleming (Eglinton): It sounds strange in the mouth of the hon. member for Laurier (Mr. Chevrier), who strayed widely into the subject of provincial politics in his intervention in this debate two days ago, to hear him take a point of order when I am dealing with a subject which is strictly relevant to the bill before the house.

Mr. Chevrier: On a point of order, Mr. Speaker, I know the Minister of Finance is a student of the French language, but I am sure he must not have been listening to what I said, because I dealt with the federal aspect and did not deal with provincial politics at all.

Some hon. Members: Oh, oh!

Mr. Speaker: I think that is not a point of order but more a matter of correction. If the hon. member finds that there is any error which needs explanation, then he might raise that matter at the conclusion of the speech of the minister.

Mr. Chevrier: I hope my hon. friend will be a little more accurate in his statements concerning my speech than he is at the moment.

Mr. Fleming (Eglinton): I can summon to this house more witnesses to the accuracy of my observation than the hon. member can to his.

Now, Mr. Speaker, I was turning to what this government has done. I would refer to the fact that it has introduced the adjustment grant to the Atlantic provinces—

Mr. Pickersgill: Mr. Speaker, I am rising again on a point of order. Surely Your Honour is not now going to permit the minister to discuss the Atlantic provinces adjustment grant, which we were precluded from discussing.

Mr. Fleming (Eglinton): It is not a fact that the hon. member was precluded. That is not a statement of fact, because he referred to this subject in his remarks.

Mr. Chevrier: The minister must not lose his temper.

Mr. Fleming (Eglinton): There is no danger of my losing my temper, but there is great danger of the hon. member for Laurier losing all connection with facts and truth. Mr. Speaker, I said as well that we had provided this additional 3 per cent yield to the provinces from personal income taxes. What has that meant to the provinces? This is the measure of what the provinces have received which they would not have received had there not been a change of government.

Mr. Pearson: How does the minister know that?

Mr. Fleming (Eglinton): The gross benefit to the provinces including the tax abatement was $73 million. Or if you take the direct cash payments, the benefit which accrued to the provinces as a result of the change in government last year, and last year alone, was $62 million not including the tax abatement.

Mr. Hellyer: What about the loss of interest charges?

Mr. Fleming (Eglinton): If there is any loss of interest it is because of the way the opposition have been delaying the passage of this bill.

But for the change of government in 1957 many of the other sums paid out by this government in the form of other assistance to the provinces would never have been paid for the benefit of the provinces or for provincial institutions. I will not delay matters by referring to the subject of conditional payments and other payments made for the benefit of the provinces and provincial institutions. They are tremendous amounts and very much larger than they would have been if there had not been a change in government.

I point out to you, Mr. Speaker, that the former government had all the opportunities to do something additional for the benefit of the provinces and the municipalities, but they deliberately and firmly refused to do anything more than was provided in the Federal-Provincial Tax-Sharing Arrangements Act. They were asked to go further but they stoutly refused. These are the members who now pretend that they are the friends of the provinces.

[Mr. Pickersgill.]

Here, Mr. Speaker, let me remind the house of what was said in official and authoritative terms on behalf of that former government. This is what Mr. St. Laurent wrote to all the provincial premiers on February 18, 1956:

> In view of the suggestion that we should meet again in committee to discuss these fiscal arrangements, I feel it would not be fair to the provincial governments if I failed to indicate at this time that the federal government believes its own situation in the next few years would not justify adding any substantial further financial commitments beyond those already proposed.

And they talk about harassing people in the house. Here is Mr. Harris saying to the federal-provincial conference on March 9, 1956:

> These proposals—

They are the proposals which—

Mr. Pickersgill: Mr. Speaker, I rise again on a point of order. The minister on three different occasions objected to my making reference to federal-provincial conferences. Surely the minister is not going to start debating the federal-provincial conferences of 1956 at this time.

Mr. Speaker: I think the hon. member is referring to an objection which was taken to the discussion of the holding of future conferences, but many members have necessarily referred to federal-provincial conferences in this debate. I do not see how an incidental reference can be avoided. It has not been avoided by that side of the house and I do not think it is proper to ask that of the minister.

Mr. Pickersgill: I would point out that I was prevented from referring to the conference of 1957. I was actually stopped by the Chair.

Mr. Speaker: If the hon. member would look over the debate since that time I think he will realize—

Mr. Chevrier: Would the minister allow me to put one question?

Mr. Fleming (Eglinton): I am sorry, but my time is limited. I have already said there will be opportunities to ask questions in committee, and I would be glad to answer questions then. I hope, Mr. Speaker, that no deduction is to be made from my time because of these senseless interruptions by the hon. member for Bonavista-Twillingate.

Mr. Chevrier: In view of what has just been said—

Mr. Fleming (Eglinton): My time is limited. This is Mr. Harris speaking to the federal-provincial conference on May 9, 1956:

> These proposals (10-9-50) go just as far as we can go at this time in providing fiscal need grants and in reducing the extent to which we are occupying certain tax fields.

And another quotation from him on that occasion:

> We believe that revenues of these magnitudes from these tax fields are consistent with the actual responsibilities at this time and what seems likely to develop in the next five years.

Here again is Mr. Harris speaking in the budget debate on March 20, 1956, as reported at page 2328 of *Hansard:*

> Having regard to our national responsibilities and commitments, we cannot see how we can go further. Under all the circumstances we believe our offer is eminently fair and that it is reasonable and realistic in the light of federal and provincial responsibilities

And let me refer again to the remarks of Mr. Harris, my predecessor, in the debate on this bill on July 16, 1956. Here are his words as reported at page 5988 of *Hansard:*

> It is our view that in the limits decided upon both questions have been met in so far as it is possible to reconcile the needs of our expanding expenditures with restricted if buoyant revenues.

And at page 5990 he said:

> I think it becomes quite clear that there is a very practical limit to our ability to dispose of our revenue sources and it is our view that this limit has been reached under present circumstances with these proposals at this time.

In those days the budgetary position was lush; the government had a surplus; yet those who were responsible for declaring the policy of the government at that time on this subject said "We cannot give the provinces another cent; we can go no further".

The last reference I wish to cite at this time appears on page 5996 of *Hansard* where Mr. Drew, referring to this subject, drew attention to another statement made by the then minister of finance, as follows:

> We cannot at this time make any further material concessions that would adversely affect our revenues.

So you see, Mr. Speaker, these hon. members who now come forward and try to pretend that they are the friends of the provinces and say something more should be done for the provinces are the very members who said, in 1956 when they were in the government, "Not another cent for the provinces". It will be clearly realized that that government, and those hon. members who have been the spokesmen for the opposition in the house during this debate, in those days banged, barred and bolted the door to the provinces in the face of their pleas for further assistance.

Thus today we ask parliamentary approval to increase the payments to the provinces, and point out that we are doing this at a time when budgetary conditions are much less favourable than they were in 1955 and 1956. The Liberal government of that day had a large surplus then, and its action at that time in refusing to do any more for the provinces can be compared with that of the Conservative government of today which has a deficit, but which is yet prepared to increase that deficit in order to increase payments to the provinces. There is the difference.

We have heard a great deal about unilateral action on the part of the government in this respect. Let us examine that empty assertion. A year ago we asked the house, and the house agreed, to provide this additional 3 per cent to the provinces for a year. We are asking now for an extension of those provisions for another year. We say that the extension will be worth $52 million to those provinces, on the basis of existing estimates. This is excluding the Atlantic provinces adjustment grant and the adjustment to the province of Quebec in terms of its right to collect certain corporation taxes. Or it is worth an estimated $66 million this year if one includes the additional taxes which the province of Quebec is in a position to collect under the terms of the act.

To listen to the speeches made by hon. gentlemen opposite one would think we were imposing some hard bargain on the provinces, inflicting some burden on them. The facts are the very opposite. I wish the hon. members on that side of the house would not depart so far from the facts when they speak on this subject. Here are the facts. The provinces want this additional 3 per cent; they are urgently asking for it; they are unanimous in asking for it. This is the situation, yet all the Liberal members in this house talk about a one-sided deal.

Mr. Chevrier: What about Mr. Frost?

Mr. Fleming (Eglinton): The federal government is taking nothing in return. There are no strings attached to this additional payment. It is unconditional. We ask nothing from the provinces; the provinces can lose nothing in accepting it. Indeed, we need no further proof of the fact that the provinces are waiting urgently for their cheques in respect of this 3 per cent—

Mr. Chevrier: What about Mr. Frost?

Mr. Fleming (Eglinton): And what about the member for Laurier and all the mistakes he has been making in this debate?

I have this to say, and I must be brief. There is a great temptation to go over all

the mistakes which the opposition have been making in this debate, but there is not time. We have rarely seen a debate in which the opposition was so completely befuddled as in this debate on this subject, but let me mention two or three examples. The hon. member for Burnaby-Coquitlam (Mr. Regier) was quite confused in what he had to say about these percentages and the relation of these percentages to the taxes collected, and there was an echo of the same misunderstanding in the speech made by the hon. member for Laurier the other evening. He referred to the increase in the federal tax rates and seemed to be under the impression that as a result the provinces were going to receive a smaller share of the yield. The standard corporation tax is, of course, directly related to corporation profits and thus the provincial share is constant, regardless of any change in the level of federal taxation up or down. The individual tax rate is related to the federal level, but is adjusted to the 1956 tax rates, so that there will be no effect on the provincial share from unilateral federal changes.

Thus, in 1958-59 we paid not 13 per cent but at the rate of 14.48 per cent in terms of the yield of that year, and in this year 1959-60 we shall be paying at the rate of 14.18 per cent in terms of the tax yield of this year. This stabilized provincial share was at the request of the provinces which did not wish their proportion of these tax fields to vary with federal tax changes. So, in effect, under this government, it has not been, as was the case under the Liberal government, a formula of 10-9-50; it has not even been a formula of 13-9-50. Last year, it was a formula of 14.48-9-50, and this year it will be 14.18-9-50.

Then we were told by the hon. member for Laurier that the federal government is collecting a larger share of the tax dollar. The fact is that as a result of the larger transfer payments we are making for the benefit of other governments the amount remaining to the federal government is relatively smaller than it was under the Liberal government.

Mr. Chevrier: The statement I made was not in accordance with the statement attributed to me by the minister.

Some hon. Members: Oh.

Mr. Chevrier: This is a point of order. The minister has complained about the inaccuracy of my statements, and I think we should stick to the facts. The statement I made yesterday—

Mr. Speaker: I will give the hon. member an opportunity to make any corrections which he feels are necessary at the end—

[Mr. Fleming (Eglinton).]

Mr. Chevrier: I have a right, in accordance with the rules of the house as I understand them, to rise and challenge the accuracy of the statement made by the minister. What I was dealing with was the percentage allotted to the provinces, and in the statement which the minister has just made—

Mr. Fleming (Eglinton): Mr. Speaker, the next error on the part of the opposition was on the part of the hon. member for Robichaud—

Mr. Pickersgill: Another error.

Mr. Fleming (Eglinton): —the hon. member for Gloucester (Mr. Robichaud) who said at page 3406 of *Hansard* that the provinces will receive less in the year 1959-60 than they did last year, 1958-59. Of course he is wrong in that respect.

Mr. Pickersgill: The budget papers suggested that.

Mr. Fleming (Eglinton): The picture as disclosed in the budget calculations has been brightening. It was much brighter than at the time the estimates were prepared. On the basis of the 13-9-50 formula the cash payments last year, 1958-59, including the Atlantic provinces adjustment grant, were $423 million. This year they will be $473 million, an increase of $50 million. With the tax abatement the amounts will be larger. So much for the hon. member for Gloucester.

Now, sir, I come to the subject of the conference—

Mr. Pickersgill: The conference?

Mr. Fleming (Eglinton): —not to go back to the discussion of February 9 and 10 but to deal with the conference that is to be held on July 6, which has been discussed at very great length by hon. members opposite in their remarks. In their comments in relation to the subject of this conference we have listened to the crowning Liberal misrepresentation and calumny. I suppose it should be expected from hon. members who when they were in the government took this steadfast, stiff-necked, take it or leave it attitude toward these conferences, hon. members who did so much when they were in power to embitter relations between the dominion and the provinces.

Mr. Chevrier: What about Premier Duplessis?

Mr. Fleming (Eglinton): If the hon. gentleman who interrupts is not any better informed on that subject than he is on the subject under debate today I am afraid he has a long way to go before he will ever approach accuracy.

Mr. Chevrier: The premier is not very happy about the treatment accorded him.

Mr. Fleming (Eglinton): In the past under hon. members opposite federal-provincial conferences were called in order for the provinces to receive an announcement, the dictates of the federal government, what the federal government had decided beforehand it was prepared to do.

Mr. Pickersgill: That statement is not true.

Mr. Fleming (Eglinton): The attitude of hon. gentlemen opposite in relation to these conferences when they were the government was always, "This much and no more; thus far and no farther." What is badly needed today, indeed the great need of the situation today, in this realm of dominion-provincial fiscal relations is—

Mr. Pearson: Another telegram.

Mr. Fleming (Eglinton): —a deep, searching, comprehensive study—

Mr. Pearson: Another study.

Mr. Fleming (Eglinton): —of joint common fiscal problems, joint or common to the two levels of government. This ought to be a study undertaken jointly on a co-operative basis between the two principal levels of government. Questions are arising constantly in relation to—

Mr. Chevrier: Reductions.

Mr. Fleming (Eglinton): —the administration, application and interpretation of the existing agreements, but there are many more questions in regard to other aspects which concern federal-provincial fiscal relations. We have in mind a broad, thorough study because we are seeking long term solutions to these problems based upon joint study of them.

I appreciate that it is difficult for hon. members opposite to understand this kind of co-operative approach. The proposed study to be carried on through the committee of ministers, finance ministers and provincial treasurers, is the first full scale co-operative attempt to reach a solution of these problems in many years. In fact the last two comprehensive studies, that of the reconstruction conference of 1945-46 and the Rowell-Sirois commission of 1937-40, were basically federal exercises. Here we hope on a continuing basis to examine our problems co-operatively in an attempt to reach mutually satisfactory solutions. The approach has often been proposed in the past, but this is the first time anyone has ever done anything about it. It is no wonder that hon. members opposite do not understand a co-operative approach.

This conference of ministers will meet in Ottawa on July 6. It is to be attended by the provincial treasurers or ministers of finance representing all of the provinces. We have acceptances from all of them. As hon. members are aware, the provincial treasurers include three provincial premiers. They will speak for the governments of their provinces. It is this meeting—

Mr. Pickersgill: Study group.

Mr. Fleming (Eglinton): —that the hon. member for Bonavista-Twillingate (Mr. Pickersgill) as recorded at page 3389 of *Hansard*, denounced in these words:

> —this pale imitation conference of bureaucrats—

—a quotation echoed by Mr. Wintermeyer in the Ontario election campaign two days later, when on May 7 he said:

> I suggest this conference is no conference of premiers at all but of bureaucrats and civil servants.

Mr. Pearson: Why did you not call it a year ago?

Mr. Fleming (Eglinton): Having regard to the fact that it is to be attended by the provincial treasurers of Newfoundland and Prince Edward Island, to mention only two of the provinces, I wonder how those hon. gentlemen will like being referred to as bureaucrats by so distinguished a member of this house as the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: I will take my chances on that.

Mr. Fleming (Eglinton): I turn now to the second aspect of this conference. After what is expected to be a two-day meeting of ministers—

Mr. Pearson: Two years.

Mr. Fleming (Eglinton): —there is to follow, for as long as may be required, a meeting of the federal-provincial continuing committee on fiscal and economic matters. In view of the aspersions that have been cast on this committee by hon. members opposite, particularly the hon. member for Bonavista-Twillingate, let me point out that this important continuing committee was one in the creation of which they participated. This committee grew out of a proposal made by the province of Ontario at the agenda conference of April, 1955 which preceded the federal-provincial conference of October of that year.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order. Has the minister unlimited time?

Mr. Speaker: No; the minister is limited according to the rules.

Mr. Fleming (Eglinton): Mr. Speaker, it is quite clear that the hon. member for Bonavista-Twillingate will not be content until he trespasses on my time by his senseless and deliberate interruptions, these delaying tactics designed to consume my limited time.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order. This hon. member has a long way to go before equalling the record established by the Minister of Finance in interrupting me during the course of my remarks on second reading of this bill.

Mr. Speaker: In view of what has been said the house should understand the situation. The minister's time apart from interruptions expires at 4.03. There have been four minutes of interruption, and I will allow him four minutes more to complete his speech.

Mr. Fleming (Eglinton): Every province welcomed this idea and the committee was set up. In his opening remarks at the October, 1955 conference Mr. St. Laurent placed the question of establishing such a committee before the conference and the committee was set up. This idea commended itself at that time. I will not go into the subject in greater detail, because I recounted the history of this important committee on February 9, at page 846 of *Hansard*.

I say this committee had never been adequately used under the Liberal government. The Liberal government neglected it and kept it under wraps. Now hon. gentlemen opposite deride our attempt to make effective use of the talents of this committee. The provinces, on the other hand, have welcomed the use of this committee for this important study.

Mr. Pickersgill: How many times has it met in the last two years.

Mr. Fleming (Eglinton): Not only have the provinces welcomed it, but all have extended to us the fullest co-operation. That is perhaps what irks hon. members opposite. The fact is, however, that all the provinces have given us the fullest co-operation in the plans we are making for the conference on July 6 and the days that follow. This is the evidence of the determination and desire of the provinces to use the opportunity now being created in order to achieve constructive results of lasting value.

I believe, Mr. Speaker, that the provincial governments are much better judges of provincial rights and interests in this country than hon. members of the opposition in this house. The value of the meetings I am sure will be perfectly clear, because there are so many of these difficult and complex problems facing both the federal and provincial governments. That is why a much more extensive investigation and study has been called for in order to seek mutually satisfactory solutions. A plenary conference over two or three days can generally solve very little.

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): The experience of the previous government would indicate that it would likely result in an arbitrary position being assumed. If this federal government were to come to the table as did the previous Liberal government, with its mind all made up, little would be accomplished. Therefore the purpose of these conferences is to prepare the ground for subsequent negotiations although in the process they may be able to resolve some of the detailed technical and procedural problems. The value of this proposed conference is fully recognized by the provinces and the scope of its inquiries will be as unlimited as the provinces may desire.

Let me make it quite clear that as we see it this is the first step in a genuine co-operative effort to develop some mutually satisfactory long term solution. It is not a substitute for a plenary conference of prime minister and premiers but it is a necessary antecedent to the success of any such conference. So I say of the agenda that the agenda is being compiled in consultation with the provinces. We have invited their proposals on the widest scale. This is in no sense going to be an agenda dictated or compiled simply by the federal government. It is going to be an agenda compiled by co-operative effort on the part of the federal and provincial governments.

The meeting of the federal-provincial continuing committee which will follow will undoubtedly result in intensive studies being made not merely by federal officials but, we trust, by officials of all governments, and further exchanges and meetings, if they prove necessary, will be had because this committee will be reporting back to the conference of finance ministers and provincial treasurers and further meetings of the ministers will be invited to be held as may be necessary.

As to the municipalities, Mr. Speaker, there are many subjects in the proposed agenda now being prepared which will be of direct interest to the municipalities, and I am sure their interests in this conference will be effectively represented by the provincial governments.

My time has almost expired, but let me say in conclusion that the estimated value of this measure to the provinces on the basis of the federal estimate is $52 million in terms of cash payments and if you take account as

well of the abatement of tax in the province of Quebec on income tax the benefit to the provinces is $66 million under this measure, and that does not include one cent of the Atlantic provinces adjustment grant. The provinces are going to share and share substantially in these benefits. Here are the figures of benefit with respect to the $66 million: Newfoundland, $1,820,000; Prince Edward Island, $11,000; Nova Scotia, $2,905,000; New Brunswick, $2,381,000; Quebec, $20,271,000; Ontario, $24,374,000; Manitoba, $3,559,000; Saskatchewan, $3,624,000; Alberta, $5,009,000; British Columbia, $1,895,000. These are the benefits that this measure will bring to these provinces. They are the benefits that this government is seeking to bring to these provinces today and we trust that the house will support us in our effort.

Mr. Pickersgill: Will the minister permit a question for clarification? I should like to ask the minister if these are guarantees or estimates.

Mr. Fleming (Eglinton): I said estimates, Mr. Speaker.

Mr. Pickersgill: You also said they were benefits to the provinces.

Mr. Fleming (Eglinton): They are based on the best estimate at this date.

Mr. Speaker: The hon. member for Laurier wished to make some explanation of some misinterpretation of what he said. Did he complete his explanation?

Mr. Chevrier: I wanted to ask some questions of the minister and I should like to ask them now.

Mr. Fleming (Eglinton): Is the committee not the best place?

Mr. Chevrier: However, if the minister prefers to have them asked in the committee I will defer them until then.

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

YEAS

Messrs:

Allard	Brassard (Lapointe)
Allmark	Brooks
Argue	Broome
Balcer	Browne (St. John's West)
Barrington	Browne (Vancouver-Kingsway)
Baskin	Bruchesi
Batten	Brunsden
Bell (Carleton)	Cadieu
Bell (Saint John-Albert)	Campbell (Lambton-Kent)
Best	Cardiff
Boivin	Caron
Bourget	Carter
Cardin	Chambers
Charlton	Chevrier
Chown	Churchill
Clancy	Coates
Comtois	Cooper
Courtemanche	Creaghan
Crouse	Danforth
Denis	Diefenbaker
Dorion	Drysdale
Dumas	Dupuis
English	Eudes
Fairclough, Mrs.	Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)	Forbes
Fulton	Grafftey
Granger	Green
Gundlock	Hales
Halpenny	Hamilton (Qu'Appelle)
Hanbidge	Hardie
Harkness	Hees
Hellyer	Henderson
Herridge	Hicks
Horner (Acadia)	Horner (The Battlefords)
Johnson	Jorgenson
Keays	Kennedy
Korchinski	Kucherepa
Lahaye	Latour
Leduc	Legere
Letourneau	Macdonnell
MacEwan	MacInnis
MacLean (Queens)	MacLean (Winnipeg North Centre)
Macquarrie	McCleave
McDonald (Hamilton South)	McGee
McGrath	McGregor
McIlraith	McIntosh
McPhillips	McQuillan
McWilliam	Maloney
Martel	Martineau
Matthews	Michaud
Mitchell	Monteith (Perth)
Morissette	Morton
Nasserden	Nesbitt
Nielsen	Noble
Nowlan	O'Hurley
O'Leary	Ormiston
Parizeau	Pascoe
Payne	Pearson
Phillips	Pickersgill
Pigeon	Racine
Rapp	Ratelle
Rea	Regier
Regnier	Ricard
Richard (Ottawa East)	Richard (St. Maurice-Lafleche)
Roberge	Robichaud
Robinson	Rompre
Simpson	Skoreyko
Slogan	Small
Smallwood	Smith (Calgary South)
Smith (Lincoln)	Smith (Winnipeg North)
Stanton	Stefanson
Stinson	Tassé
Thomas	Thrasher
Tremblay	Tucker
Villeneuve	Vivian
Walker	Webster
White	Winch
Woolliams	Wratten—156.

NAYS

Messrs:

Nil

Bill read the second time and the house went into committee thereon, Mr. Rea in the chair.

Dominion-Provincial Relations

On clause 1—*Alteration of act in its application to fiscal year ending March 31, 1960.*

Mr. Pearson: I have a few questions I should like to ask in connection with this clause which modifies the formula, as has been pointed out by the minister from the 15-9-50 of income tax and federal succession duties. As my first question I should like to ask if this modification of the formula was discussed at any time at any conference with the provinces.

Mr. Fleming (Eglinton): Not specifically in any general conference.

Mr. Pearson: Was the modification mentioned in this clause taken up, before the government agreed on it, by the minister in any way with any province?

Mr. Fleming (Eglinton): Before it was introduced and the house was asked to take action on it the provinces were communicated with, as was fully made known in the debates in this house over a year ago.

Mr. Pearson: May I ask the minister to confirm the view taken from his statement that before the government agreed on this modification it had taken it up in some form with all the provinces?

Mr. Fleming (Eglinton): We had received representations from many of the provincial treasurers asking for some further federal assistance in respect of this measure and for an enlargement of the provincial share of the yield from the standard taxes.

Mr. Pearson: It is now quite clear, I think —and perhaps the minister would confirm my statement—that the modification as such was not discussed with any province before the government agreed on it. The minister previously stated that they had received representations from some provinces asking for further assistance in some form. But the minister has not answered my question, and by his not answering it I assume the answer really should be a negative one. My question was whether this particular modification of the formula was taken up with the provinces in any way before it was agreed on by the government. In other words, were the provinces consulted in advance about this particular modification of the formula?

Mr. Fleming (Eglinton): In the way I have mentioned, yes. I have referred to the communication with the provinces. I have referred to what preceded that communication, namely the request of provinces for an enlarged provincial share of the yield from these particular standard taxes.

[Mr. Chevrier.]

Mr. Pearson: Then it is clear that the minister had communicated to the provinces the agreement reached within the government for the modification of this formula only after that agreement had been reached. The provinces were then communicated with, I understand by telegram. This was the only form of consultation—and of course it was not a form of consultation at all—though some of the provinces had already communicated to the government that they would like more fiscal assistance from the federal government. May I now ask the minister if this particular modification of the formula was discussed at any meeting of provincial federal officials before official agreement was reached within the federal government.

Mr. Fleming (Eglinton): No. There was discussion at a meeting of officials in Halifax of the proposed Atlantic provinces adjustment grant. At that meeting the four Atlantic provinces were represented by their officials; but this particular modification or increase in the provincial share of the yield from personal income taxes was not discussed at that Atlantic conference.

Mr. Pearson: May I now ask the minister whether the government will, at the forthcoming July conference, consider favourably the provinces' request or the request of some provinces that this formula should be further modified to a 15-15-50 basis?

Mr. Fleming (Eglinton): The Leader of the Opposition is asking me to commit myself or to commit the government to some specific increase. Obviously, while the conference will have the widest scope to discuss all questions, I could not possibly be expected to make a statement of the nature asked of me by the Leader of the Opposition at this point.

Mr. Chevrier: May I ask the minister what is the position of the minister with reference to the concrete proposal which was put forward at the November conference of 1957 by the premier of Ontario to the effect that the division should be 15-15-50 rather than the present 13-9-50?

Mr. Fleming (Eglinton): My position is this. The representatives of any government at this forthcoming conference will be perfectly at liberty to suggest for inclusion in the agenda the discussion of any matter relating to the subject of federal-provincial fiscal relations that commends itself to the conference.

Mr. Chevrier: I am sure that is the case, and I am sure that no one on this side of the house or on the other side of it would want to preclude the discussion of any proposal.

But that was not my question. My question to the minister was this. What is the position of the minister with reference to the proposal which was made by the premier of Ontario and supported by several other premiers?

Mr. Fleming (Eglinton): I have stated my position on that subject.

Mr. Chevrier: May I proceed a bit further? Am I right in assuming that the position put forward by the premier of Ontario and other premiers was to the effect that the rate should be increased to 15-15-50?

Mr. Fleming (Eglinton): I think that position was taken by the premier of Ontario. As I recall it, I do not think he was the only premier who took that position. I know Premier Roblin of Manitoba has taken it.

Mr. Pickersgill: Mr. Campbell took it.

Mr. Fleming (Eglinton): And others took it at the conference of November, 1957.

Mr. Chevrier: Has the minister given any consideration to the amount which would be required to meet that proposal?

Mr. Fleming (Eglinton): Yes, from time to time. But first, Mr. Chairman, we have to make calculations. This is a field in which calculations are being constantly made, because the payments to the provinces undergo change in the light of the yield from period to period from these particular taxes. We have to make an estimate at the beginning of the fiscal year as to what we think the yield is likely to be. That is modified from time to time, and consequently in this field we are making calculations very frequently. It would not be difficult, I suppose, to calculate what the amount would be on any given percentage or any formula, the one mentioned by the hon. gentleman which, I take it, he advocates, or any other formula as applied to a division between the dominion and provincial governments of the yields from these three taxes.

Mr. Chevrier: Could the minister give the house the amount of increase in taxation which will be required to bring this payment about and what it would mean in the way of dollars and cents to the province of Ontario.

Mr. Fleming (Eglinton): I have not worked this out myself, Mr. Chairman, but I am informed that on a 15-15-50 formula the additional yield to Ontario over and above what will be provided by the present measure would be roughly in the neighbourhood of $100 million. The over-all cost in respect of all provinces—that is, the cost to the federal treasury—would be approximately $275 million.

Mr. Chevrier: Before I ask the other question, would the minister while I am posing the question be good enough to get the analagous figure for the province of Quebec? The other question which I would like to ask now, and I come back to it again, is what is the—

Mr. Fleming (Eglinton): I am sorry, but I am not in a position to give what the figure would be for Quebec. That would raise questions as to the tax abatement, and the situation is not as simple to calculate in the case of the province of Quebec.

Mr. Chevrier: Yes, I realize that. Could I get it at a later date?

Mr. Fleming (Eglinton): I am afraid I could not obtain it for my hon. friend today but I will be glad to send it to my hon. friend later.

Mr. Chevrier: I understand it is in the old tables and perhaps could be obtained.

Mr. Fleming (Eglinton): The figure may have changed from the old tables, depending on the changes in the yields since.

Mr. Chevrier: Then I come back to the question again: What is the position of the minister with reference to this proposal, which means in effect an increase to Ontario of $100 million, and I am sure an increase to the province of Quebec of a substantial amount as well, with the other provinces' shares being increased in proportion? Will the hon. minister not tell the house what his attitude or opinion is vis-à-vis that proposal?

Mr. Fleming (Eglinton): I think this is the third time my hon. friend has asked me the same question. I must refer him to my previous answer.

Mr. Chevrier: Mr. Chairman, I think notwithstanding what the minister has replied that the committee is entitled to an answer to that question. After all, it has been discussed not only here but elsewhere, and I think the least the minister can do is to tell the house what his attitude or that of the government is with reference to that proposal.

Mr. Pearson: While the minister is thinking or rethinking about that question, may I ask him if the impression which I got from his statement this afternoon about the July conference with the provinces is correct, that it is expected to last for two days only, and that its purpose is to initiate a broad-based examination of federal-provincial fiscal relationships by a joint committee of the provincial governments and the federal government? Is that the purpose of the forthcoming conference?

Mr. Fleming (Eglinton): I think the Leader of the Opposition has stated it rather more narrowly than I stated it in my remarks this afternoon, Mr. Chairman. The conference of ministers will open on Monday morning, July 6, at 10.00 o'clock. It will last as long as it is necessary to reach the decisions that the ministers may care to take at that meeting. It is expected in any event that the meeting will go two days. It may go longer, I do not know.

Immediately following that meeting it is expected that the meeting of the continuing committee will follow, and that meeting will proceed as long as may be required. The agenda has not yet been fully determined. There have been confidential communications between the dominion and provincial ministers in regard to it and, as I say, it is now in process of being decided upon between them. I may say that thus far the course of discussion and the response of the provinces indicate that the agenda will be a very wide one and the ministers will be called upon to decide what particular subjects they propose to take up, in what order, what priorities they intend to assign to different subjects, and what subjects they wish the continuing committee of officials, very competent officials indeed, to undertake.

Then at the meeting of the federal-provincial continuing committee the assignment which will come to them from the meeting of ministers will be undertaken and the tasks allotted, as that committee may choose.

Mr. Pearson: Mr. Chairman, if the representatives of any provincial government at the forthcoming conference should initiate or introduce a proposal for a further modification of this formula to, say, 15-15-50, would that proposal be discussed at this conference and would there be an opportunity afforded of coming to a decision in regard to it at this conference?

Mr. Fleming (Eglinton): I am quite sure, Mr. Chairman, that there will be discussion of formulae. I cannot imagine this meeting proceeding very far without the question of the formulae being discussed and how formulae can best be made up, having regard to the interest of all parties. Whether any decision can be expected to be taken at that conference I doubt. I do not say decisions cannot be taken. If there were unanimity on some particular subject, I presume the conference, or those who represent the governments at the conference, can obtain instructions; but failing that situation where there is unanimity on such a subject, I presume these subjects would be embraced within the discussions and the studies to follow.

[Mr. Pearson.]

Mr. Pearson: May I go one step further and ask the minister if it is accurate to say that at this forthcoming conference there would be an opportunity for a representative of the government of Ontario to advocate a 15-15-50 formula and that there would be at least an opportunity for discussion and decision in regard to that formula?

Mr. Fleming (Eglinton): As I have stressed, the agenda is a matter for decision on the part of all concerned, and with regard to any answer I may offer with relation to the agenda I wish to make it quite clear that the decision as to what shall be included within the agenda rests with the representatives of all the 11 governments concerned. I have indicated that I would be surprised if there were no discussion about formulas and about matters related to formulas.

Mr. Pearson: Has the attention of the minister been drawn to a statement by the premier of Ontario made in Ottawa on May 29 that he is confident that this federal-provincial parley in Ottawa in July will put a further $100 million or $115 million or $150 million into the revenues of Ontario, and does he feel it is realistic to assume that any decision in this regard could be made in July?

Mr. Fleming (Eglinton): I have not seen the newspaper comment which the hon. member has read.

Mr. Broome: I wonder if the minister could give an explanation with regard to the figure for British Columbia, which appears to be receiving in extra grants $1,895,000 as compared with a figure of $5 million for Alberta and $24 million for Ontario.

Mr. Fleming (Eglinton): The figures I gave at the conclusion of my remarks this afternoon are the estimated figures as of the present time and take into account all the elements including the stabilization payments, and the reason why the figure in the case of British Columbia, which is $1,895,000, is less than the figure of $5,009,000 for the province of Alberta is that British Columbia is a principal beneficiary from the stabilization provisions of this act. The two provinces which have derived most benefit from the stabilization principle are British Columbia and Prince Edward Island, and this lower payment arises because of that principle of a built-in floor from which British Columbia has derived a good deal of protection of its payments hitherto. That is why the increase in this case does not appear to be as much as in the case of its neighbour province.

Mr. Regier: I wonder whether I may ask the minister this: has the premier of British

Columbia made any representations regarding the bill now before us in connection with another meeting of premiers with the Prime Minister and, if he has, what was the tenor of those representations?

I should also like to ask the minister to tell us as nearly as he is able what was the payment to British Columbia under the Federal-Provincial Tax-Sharing Arrangements Act for the year ending March 31, 1958 and also for the year ending March 31, 1959. I should also like the minister to indicate the amount of the estimated payments to British Columbia for the fiscal year which will end on March 31, of next year, 1960.

Mr. Fleming (Eglinton): There have been to my knowledge no representations received from Premier Bennett in regard to the present amending bill. As to the payments made to British Columbia, I can give the hon. member these figures: for the fiscal year ending March 31, 1958 the payments under this act amounted to $58.9 million; in the fiscal year ending March 31, 1959, $64.1 million; in the present fiscal year 1959-60 it is estimated that the payments on the basis of the formula proposed in the present bill will amount to $68.4 million.

Mr. Regier: I know the minister has stated that the premier of British Columbia has made no particular representations with regard to the bill now before us, but I wonder whether the hon. gentleman will indicate whether or not the premier of British Columbia has made any representations within the past six or eight months expressing his desire for a new meeting with the Prime Minister of Canada along with the premiers of the various provinces.

Mr. Fleming (Eglinton): I am informed that the purport of the letter from the premier of British Columbia in accepting the invitation to participate in the conference on July 6 indicated that he thought this meeting was a good idea as a useful and necessary preliminary to a plenary conference.

Mr. Regier: I hope the minister realizes that under the benefits of the legislation now before us the estimated payments to British Columbia will amount to $68.4 million. If we add to that all the various other payments being made by the federal government to the treasury of the British Columbian government, especially under the provisions of the national health insurance act it will be seen that contributions by this government to the revenues of the government of British Columbia will exceed one-third of the income of the government of British Columbia. Therefore, any slogan upon which the government of British Columbia may embark in favour of a larger amount of money from Ottawa will be based on a somewhat weak foundation inasmuch as Ottawa is even now paying in excess of one-third of the income of the government of British Columbia.

Mr. Denis: May I ask the minister if the change in the rate of standard income tax for the purpose of calculating the payment to the provinces is the only change made by the present government since it took office?

Mr. Fleming (Eglinton): There have been a number of changes made in the terms and the amounts of the payments made by the federal to the provincial governments. May I mention just a few? There are, of course, the conditional payments—quite a wide range of them. I should be glad to go into them, but I think that would be outside the scope of the present debate and what is properly relevant to this measure. In the second place there are, of course, the Atlantic provinces adjustment grants, and in the third place the provision made for tax abatements and the 3 per cent increase.

Mr. Denis: Do I understand that the substance of the measure is the same and that this is only a question of amounts and rates—it is a question of money?

Mr. Fleming (Eglinton): If the hon. member is confining his question to the unconditional payments made in pursuance of the Federal-Provincial Tax-Sharing Arrangements Act, that is one thing, but to put his question as broadly as he has done takes in a great deal more territory. Unless he restricts it I would have to answer his question by saying that the payments are greatly expanded and there have been many additions and many changes always in favour of the provinces. On the other hand, if he is confining his question to the terms of the present act, the Federal-Provincial Tax-Sharing Arrangements Act, last year's amending act added a new section 11 and a new section 12, and the present bill now before the committee would propose to amend section 12 by extending until March 31, 1960, the increase from 10 per cent to 13 per cent in the provincial share of the yield from the personal income tax.

Mr. Pearson: Mr. Chairman, may I ask the minister whether the government proposes to put forward any plan at the forthcoming conference for a further modification of the existing tax-sharing formula or any new proposal for a tax-sharing formula.

Mr. Fleming (Eglinton): Mr. Chairman, we are prepared to discuss any suggestions that are made with relation to the formula and will co-operate in any study that is sought or desired by the provinces in relation to

that subject. We are certainly not going into this conference laying down any hard and fast proposals.

Mr. Pearson: I was not sugesting that, Mr. Chairman; I do not think it could be inferred from my question that I was suggesting any such procedure as that would be adopted. I am merely asking whether the federal government apart from its expressed willingness to consider any proposal made by provincial delegations is itself going to put forward for discussion and consideration any modification of this tax-sharing formula or a new formula to replace the present one? Has the government any plans for that purpose? Is it to be a matter for consideration at the conference?

Mr. Fleming (Eglinton): Mr. Chairman, there are so many hypothetical elements in the hon. gentleman's questions that I do not think I can usefully add to what I have already said to the committee on the subject.

Mr. Pearson: There is nothing hypothetical about the deduction one must draw from the minister's evasion. The deduction I draw is that the federal government is not going to propose any further modification of the present formula or any new formula because surely if the government on the eve of this conference had such a proposal to make it would at least be able to inform the committee of this fact. I am not asking for the details of the proposal but whether in fact the government will make any proposal to the conference along the lines I suggested.

Mr. Fleming (Eglinton): I think we will wish to know what the provinces have to propose in relation to formulas and in relation to all the other types of payments of which they are in receipt today. This conference will have to embrace consideration of the whole realm of payments whether conditional or unconditional.

Mr. Pearson: The government has had two years in which to find that out from the provinces but I will leave that particular matter as it stands. Surely the minister, though he may not have read the statement from Mr. Frost which I mentioned, must be aware that some provinces are expressing views in this matter which if they were carried out would represent an additional contribution from the federal treasury and if these views were accepted by this conference in July it might be possible and indeed necessary to have a further amendment made to this legislation because we will undoubtedly be here at the time this conference is being held.

[Mr. Fleming (Eglinton).]

For instance, in an interview in Toronto with the editors of the Toronto *Star* just the other day, Mr. Frost had some interesting comments to make. I quote from the interview. He was asked about the federal-provincial fiscal conference called for July 6 and was asked the following question:

> Templeton: Can we go to another subject? On the matter of the dominion-provincial fiscal conference which has been called for July 6, you have said that you expect to get a further $100 million at this conference—
>
> Frost: That was dramatizing.
>
> Templeton: When you say you were dramatizing, are you suggesting that you don't mean it?
>
> Frost: I certainly do mean it.

Further along Mr. Frost continued:

> Our position is well known. As a major objective we have advanced the much-discussed 15-15-50 formula which means about $100 million to Ontario in new revenue.

We must assume from this that at least one province is going to put forward a formula, if that statement means anything at all. We have the right to assume also that this conference lasting for two days as the minister said, unless something intervenes to make it last longer, will then adjourn and after the two days a study is to be made of the whole question. Now we have the right to assume that the federal government after all these months is not itself putting forward any proposal for modification of this formula or for a new formula, beyond that which is embodied in the bill before us at this time.

Mr. Pickersgill: Mr. Chairman, I should like to supplement what the Leader of the Opposition has just said and draw to the minister's attention the remarks he made at the close of the conference in 1957 as reported at page 102 of the proceedings:

> Now, sir, may I make a brief comment on the suggestions as to the form in which the conference might continue.

I want to found a question on this, Mr. Chairman. I continue:

> Suggestions were made yesterday on the part of two provincial premiers, I think, that an attempt should be made at this conference, which means today, to arrive at firm decisions. May I point out, sir—and I think this is in the minds of all of the provincial representatives—that we did call this conference as soon as possible after taking office. The new government has been faced with many burdens, including a number of conferences. This one was called as a two-day conference and the invitations were accepted on that basis.

Perhaps I might interject that two-day conferences seem to be the pattern. I continue:

> The proposals which have been submitted—

In other words, in November of 1957, all these provinces made their proposals and now they are going to be asked at a lower level —I say this to justify my reference to the

forthcoming conference as a pale imitation of a conference—to come and repeat them, and still we have nothing from the federal government. I continue:

> The proposals which have been submitted all involve the expenditure of large sums of money. All of them require careful study.

This is the Minister of Finance telling us how this thing was going to be done two years ago. It is very different from what he is telling us now. I continue:

> Indeed, sir, we would be doing less than justice to them and the important sources from which they come if we did not undertake to give them careful study. Moreover, some of the proposals will necessarily involve extended planning and surveying before precise calculations could be arrived at or decisions based upon them.

That was a year and a half ago; a little more than that in fact. One question I should like to put at this time although I want to read a little more, is this. Would the minister tell us now what the result is of that planning and surveying and those precise calculations and what decisions have been based upon that year and a half of planning and surveying and precise calculating which he promised the premiers in November of 1957 he was going to do? I continue reading the minister's words at that conference:

> Therefore, in conclusion it seems to me that we are in this position. The provinces, which with one exception and one other exception in part, had entered into agreements with the former government effective on the first of April of this year, have in their statements indicated to us quite a marked difference in approach to the problem than one might have inferred from the signing of those agreements.

I should like to ask the minister, and this is the first time I have ever had the chance to do so, how he squares this statement with the statements he and the Prime Minister made before the election to the effect that this problem could be solved very simply by a single conference with all of the governments sitting down together and the conference reaching the agreements.

My second question to the minister is this. Is it intended that the conference in July should reach any conclusions or does the present government intend to treat this conference in exactly the same way as conferences have been treated by all governments since confederation, namely to listen to representations and then take its own responsibility before this house to this house, or does the minister think there is some other way of doing this? I think it is about time we had a precise answer to that question.

I return to the minister's remarks at the 1957 conference and continue reading:

> Having regard to the extent, the number, the importance and the cost involved in the various important proposals which have been made, it is evident, sir, as you said at the outset, that with a purse necessarily limited it is highly important that this conference should not close later today without our having gone as far as may be possible in seeking further information as to the views of the provinces concerning priorities among the various proposals put forward.

I think that after a year and a half the minister could perhaps tell us what those priorities are, what it is proposed to do first and what precise line the government now intends to take in this conference about the various proposals that were put forward at the last conference. I am sure that these ministers of finance are not just coming here for a joy ride. They want answers to these questions they put a year and a half ago. Personally, I know some of them expect answers and it seems to me that the minister could tell us what the general nature of those answers is going to be if, indeed, the government is going to put anything before this conference, or is the government just going to let the provincial governments make another series of requests and after two days send them home again? It seems to me that unless we are given a precise answer that is the inference we would draw.

I would remind the minister, in view of what he said a little earlier this afternoon, that when that series of five conferences which preceded the introduction by Mr. Harris of the present tax-sharing arrangements act was held, while no precise proposals were made by the federal government at the first and second of those meetings the federal government did give a very clear indication to the conference and to the public of the lines along which it was willing to approach this matter. In fact that approach was modified on at least three, and if my memory serves me rightly—I have not checked this carefully—or four occasions before the then prime minister and Mr. Harris made the statement they did. After four modifications, after four discussions with the provinces, where they were listened to and when many of their ideas were accepted, finally the government had to take its responsibility as finally this government perhaps will have to take its responsibility, though this government certainly has a great capacity for putting off until tomorrow those things that other governments used to do when problems were urgent. I ask the minister, does he intend merely to ask the provinces to come here again and make more speeches and then send them home, promising them still more study groups, or is the federal government going to give them any answers?

Before I resume my seat, and so that the minister can answer all my questions at

once, I should like the minister to tell me how much in total the provinces derived—I use the word "derived" because I know they did not receive it all from the federal treasury—because of the existence of the tax rental arrangements and the tax abatements in the fiscal year ended March 31, 1957, March 31, 1958 and March 31, 1959, without including the Atlantic provinces adjustment grant so that the figures will be strictly comparable.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. gentleman began by reading remarks attributed to me in the record of the dominion-provincial conference of November 25 and 26, 1957, and the portion he read appeared to be treated by him as remarks made at the close of the conference with reference to some possible future meeting of the conference and the way in which the conference might continue. He quoted these words:

> Now, sir, may I make a brief comment on the suggestions as to the form in which the conference might continue.

These remarks which the hon. gentleman has read from the record were not remarks made at the close of the conference at all. These remarks were made at the close of the public session on the morning of November 26 and were directed to the form in which the conference might proceed in the in-camera session which followed upon the adjournment of the public session. My remarks related to the later meeting in camera on that day. They did not relate to some future resumption of a plenary conference.

Mr. Pickersgill: Would the minister permit me to ask him a question so that we can clear up this point? The minister also remembers that there was a communique issued at the end of that conference and that communique contained these words with respect to tax-sharing arrangements:

> Possible changes in the tax-sharing arrangements act were discussed but it was understood that no endeavour would be made to reach conclusions on this matter prior to further consideration of the subject by the dominion government in the light of the public statements made by the provincial representatives in open sessions and the discussions which took place in committee.

Does the minister say that the consideration promised then is completed and that this measure is the result of it, or does he intend to deal further at the forthcoming conference with the rather strong demands that all provinces, without exception, made for a larger share of direct taxes?

Mr. Fleming (Eglinton): There is no such thing as closing off demands on the part of any government in this field except to the extent to which the former government closed them off by the terms of the Federal-Provincial Tax-Sharing Arrangements Act and the agreements that were entered into prior to March 31, 1957, in pursuance of the terms of that act.

The second question that the hon. member asked related to the purpose and scope of the conference, as I followed his remarks. Of course the provincial treasurers or ministers of finance are coming here with a serious purpose. We are going into this conference with a serious purpose and I stated that purpose this afternoon. We are making an earnest effort by means of the proposed co-operative approach and co-operative study to follow to make a thorough review of this field. Many, many questions have been raised from time to time in relation to this field and so far as we are able we intend to try to find long term solutions or settlements of the difficulties. That is the purpose of everyone. I have described in my remarks this afternoon the scope and purpose of the conference. These have been subscribed to by the provinces as evidenced by their acceptance of the invitation and the extent to which they have participated in the steps that have already been taken in preparation for the conference and the agenda for discussion.

The third matter the hon. member raised was as to the gross payments made—

Mr. Pickersgill: Gross advantage derived by the provinces.

Mr. Fleming (Eglinton): From payments made under this legislation or its predecessor?

Mr. Pickersgill: No, I should like figures to compare with those that the minister put in his budget papers. In other words, they would include either payments or tax abatements up to the amount because that is the only way you can get them comparable for the different provinces. I should like to have figures comparable with those which Mr. Harris gave when he introduced the measure originally in 1956.

Mr. Fleming (Eglinton): Mr. Chairman, excluding the Atlantic provinces adjustment grants, the figures are as follows: For the fiscal year 1956-57, a total of $523 million; for 1957-58, $633 million; for 1958-59, $661 million, and that figure of course is subject to revision when the final figures are available. Then, for the present fiscal year, 1959-60, the estimate at this time is $753 million.

Mr. Pickersgill: $753 million—the minister estimates it is $100 million more this year?

Mr. Fleming (Eglinton): No, not $100 million, it is $92 million more, according to the present estimate.

Mr. Pickersgill: Surely there must be some error in those figures because there is no difference in the formula this year from that for the year ending March 31, 1959.

Mr. Fleming (Eglinton): But there is a substantial difference in the tax returns estimated.

Mr. Pickersgill: The minister will from those figures agree, I think, whatever may turn out to be the situation in 1960—I am sure he would also agree a large part of the returns from 1959-60 would have arisen under the old formula and that only the 3 per cent will come from the new formula—he will agree with me, I think—

Mr. Fleming (Eglinton): I think the hon. member will agree, before he goes too far on that line, that had it not been for the amendment made last year to increase from 10 per cent to 13 per cent the provincial share of the yield from the personal income tax, the yield to the provinces in 1958-59 would have been lower than the figure for 1957-58 because of the decline in the yield from personal income taxes, which would have brought into effect the wider application of the stabilization principle.

Mr. Pickersgill: Was it not more a decline in the corporation tax? However, that is not really material. The point I am making here is that from the minister's figures it will be seen that the increase Mr. Harris proposed in 1956, and which came into effect for the fiscal year 1957-58, amounted to $110 million and this much boasted increase of this present government, which was going to be more generous, amounts to $29 million.

Mr. Fleming (Eglinton): No, that is not fair.

Mr. Pickersgill: The figures are here. The minister has just given them. If the minister will subtract $523 million from $633 million, he will find that leaves $110 million. If he subtracts $633 million from $661 million, he will find that is $29 million. I have only done that mentally. I have not counted it on my fingers, but I think it is right, if the minister's figures are right. I am a little sceptical about the minister's figures because I think he told us in January, 1958, when he came into office and first told us about those telegrams of his in which he made other mistakes, that this was going to yield $62 million to the provinces. Now he tells us it is only $29 million.

Mr. McCleave: It is $28 million.

Mr. Pickersgill: The hon. member tells me it is only $28 million, and I think that is correct. I thank the hon. member for Halifax for making the minister's figures look even more absurd. Here is this great generosity about which we have been told so much, this generosity about which the Minister of Justice went down to Newfoundland to tell the people, when a considerable portion of the total which he gave resulted from the action of Mr. St. Laurent and Mr. Harris. I think it is time these facts were put before the public. This was the so-called take it or leave it attitude about which we heard so much, but the formula was actually the result of several conferences with the provinces in which many of their modifications were accepted and which yielded an additional $110 million. This operation by telegram turns out to have yielded $28 million, and I thank the hon. member for Halifax again for correcting my arithmetic.

Mr. Fleming (Eglinton): The hon. gentleman professes to want facts.

Mr. Pickersgill: Exactly, and I used only the minister's figures.

Mr. Fleming (Eglinton): He has proceeded from that to draw some very fictional conclusions. I think he had better add to his store of facts and draw the proper conclusions from them. It is true that in the year I have indicated, 1957-58, the payments to the provinces under this present act amounted to $633 million, but had we not introduced a year ago the amendment to increase from 10 per cent to 13 per cent the provincial share of the yield from the personal income tax the provinces in the year 1958-59 would have received only $613 million, whereas they actually received, as a result of the legislation introduced by the present government, $661 million. In other words, they received $48 million more than they would have received under the former government if it had continued in office.

Mr. Pickersgill: That assumption, of course, is only an assumption; the hon. member does not know.

Mr. Fleming (Eglinton): This does not include the Atlantic adjustment grants. If you add the $25 million given under the Atlantic adjustment grants, it will be seen that the increased benefits to the provinces since this present government came into office, in the fiscal year 1958-59 by way of unconditional payments alone, were $73 million.

Mr. Pickersgill: It is still substantially less, even with that arithmetic by the minister, than Mr. Harris provided in 1956. I quite agree with the minister, and I never said anything to the contrary, that he did not do as well because the country did not do as well when he was in office as it did when Mr. Harris was in office; that is self-evident. The minister told the house in January, 1958,

that his best estimate was that this new arrangement would yield $62 million. He now says it yielded $48 million.

Mr. Fleming (Eglinton): Yes, that was according to the estimates at that time.

Mr. Pickersgill: In other words, we have a pretty substantial shrinkage, even of the minister's $62 million. I wonder if the minister could tell us what the difference was between what Ontario actually got in 1958-59 under this arrangement and what Ontario would have obtained if this arrangement had not been made.

Mr. Fleming (Eglinton): The payment in 1958-59 which Ontario would have received under the 10-9-50 formula would have been $71,786,000. The payment which it has received under the 13-9-50 formula was $93,322,000, an increase of $21,536,000 as a result of the amendment introduced a year ago.

Mr. Pickersgill: It was about 10 per cent less than the minister estimated. I think his first estimate was about $23 million.

Mr. Fleming (Eglinton): The figures I gave a year ago, I remind the hon. member, were given as illustrations based upon the figures for the previous year and such figures as were available at that time. We had not then arrived at the end or within several months of the end of the fiscal year 1957-58.

Mr. Pickersgill: The minister also forgets he made a speech in the Montmagny by-election in which he gave solid figures that the people could count upon.

Mr. Fleming (Eglinton): The figures I gave there, I think the hon. member will agree, according to the estimate made, were fair and proper.

Mr. Pickersgill: The minister gave, in the by-election in October or September, whichever it was, the figures which he had given to the house in January, not a new estimate, which would have been lower.

Mr. Pearson: Now that the minister's estimates have been checked against the facts, may I return to another aspect of this matter which we were discussing a few minutes ago? The minister has said something about the desirability of reaching long term solutions. I think we can all agree with that, in principle, though this bill is not a long term solution any more than was the bill last year. He also indicated that the conference to be called in July has a serious purpose. I am sure it has. The conference called on September 16, 1957, when he invited the provincial premiers to Ottawa in November, was meant to have a serious purpose. The letter of invitation which can be read in *Hansard* at page 589 of that session, began as follows:

> My colleagues and I believe it would be useful and desirable to arrange a dominion-provincial conference—

This was in September, 1957.

> —to review the present pattern of tax-sharing arrangements.

That is a long time ago. At least it was one and a half years ago. At that meeting in November, as has been pointed out by my colleague the hon. member for Bonavista-Twillingate, at that two-day conference the federal government made some proposals and the provincial governments presumably made some proposals and the conference adjourned so that those proposals could be considered. It was understood that the conference would resume and deal with those proposals and presumably come to some long-term solution.

Now, a year and a half later, the minister says, "We are going to have another conference at which we are not making any proposals"—or at least he would not indicate to us on this side of the chamber that they had any proposals to make—"but at which we will consider once again the proposals which may be made by the provinces." That is what he told the provinces a year and a half ago, namely that they would consider the provincial proposals. Is this conference in July 1959 called for exactly the same purpose, namely to consider provincial proposals which were made a year and a half ago?

We know what some of those proposals were. It is an open secret. We know that some of the provinces want a 15-15-50 formula. Mr. Frost is going around the country saying that is what they are going to get in July. He did not say very much about it a year and a half ago and he did not say very much about it in the intervening period. But he has said a great deal about it in the last little while. Perhaps he has some basis for what he is saying. If he has, perhaps the minister might let us know. Perhaps his basis for it is the attitude of the Prime Minister in 1957 during the election when he campaigned with Mr. Frost and applauded Mr. Frost's demand at that time for a 15-15-50 formula. I do not think we should blame Mr. Frost too much if, in June, 1959, he feels he may be able to have this formula accepted.

But I ask the minister this question. Is that all that is going to happen in July, namely that the provinces are going to produce the old formula, or the old modifications and the government is going to have another look at it for another two days and set up a committee to have a further look at it during the next two years?

Mr. Chevrier: When the minister was making his remarks a few minutes ago I intervened to ask a question but the minister thought it might be better dealt with at this time. The question I was going to ask had to do with the attitude taken by the minister with respect to the formula which was originally adopted by the former administration. The minister in his speech was extremely critical of that formula; that is, of course, the formula 10-9-50 which the present administration increased to 10-13-50 and is now seeking to extend for a further term.

But the point I wish to make at this stage is that while the minister was highly critical of our position and the attitude that was taken on this side of the house, I wonder whether he listened carefully to the speech made last evening by the hon. member for Bellechasse. The hon. member for Bellechasse was not nearly as critical of that attitude or that position as was the minister. I should like to refer him to what was said by the hon. member for Bellechasse as reported at pages 4304 and 4305 of *Hansard*. Of course, I am now paraphrasing his language but there he speaks of the conciliatory attitude of Mr. St. Laurent in dealing with this whole problem. He says that the formula and the principles laid down in the law known as 4-5 Eliz. II, chapter 29, to use his own expression:

(Translation):

—reducing to silence the small politicians surrounding him, putting aside all narrow, mean and political considerations, became the instigator of "that law"—

(Text):

In other words, he commends the former prime minister for the attitude adopted in that formula. Later on, in another part of the speech he went on to defend that conciliatory attitude. I am therefore somewhat surprised at the fact that there seems to be a divergence of opinion. Perhaps I should not be surprised because that is something that often happens on the other side of the house, namely that the government is divided.

Some hon. Members: Oh, oh.

Mr. Chevrier: My hon. friends shout "Oh, oh". We saw what happened with reference to the strike of the C.B.C. producers in Montreal. A portion of the government felt that the strike was legal and another portion felt that it was illegal.

Some hon. Members: Oh, oh.

Mr. Chevrier: I realize, Mr. Chairman, that I am out of order; but I am out of order simply because I have been interrupted. I will now get back to what I intended to say and it is this. The attitude adopted by the minister and that adopted by the hon. member for Bellechasse seem to be at variance and that is indicated from the language, as I see it, in *Hansard*. That leads me to this question. Has the minister received any representations since the 1957 conference from the premier of the province of Quebec or made representations with respect to this measure. What are his representations with respect to this agreement which is now before us? Is the premier satisfied with the division as it is found in this formula? I am sure the minister will want me to remind him that following the conference of 1957 the premier of the province of Quebec left the conference and said to everyone who wanted to listen how happy he was with the manner in which the proposals had been submitted and with the treatment that had been meted out to various groups; and he went on to repeat that for a period of some months. In fact, when he was chastised about his reversal of form, I think his words were something like this, "We must be patient; we must wait because it will take a long, long time for the present government to correct the many mistakes that were made by the former administration over a period of 22 years."

You can see, Mr. Chairman, how well that statement of the premier of the province of Quebec was received by those who applaud on the other side of the chamber. But have they seen or read or heard of the statement that he made only several months later on at least three occasions condemning, not in the most violent language—I do not think that is his attitude generally—but in the most vigorous language the conduct of the present government, and going so far as to say that it is even worse than was the conduct of the former administration.

An hon. Member: How could it be?

Mr. Chevrier: I believe that he used the words—

Mr. Fleming (Eglinton): Mr. Chairman, is this relevant to the bill that is now before the committee?

Mr. Chevrier: Mr. Chairman, the minister was allowed to roam all around section 12. Surely I may be allowed, as a preface to the questions that I intend to ask, to point this out. Surely I am entitled to point out a difference of opinion by one of the premiers of the provinces having to do with this kind of arrangement, an attitude which was entirely sympathetic in 1957 or shortly thereafter, and an attitude now which has been completely reversed and is in vigorous condemnation of the present attitude of the government. Before I proceed further, I ask the minister if he has received representations from the premier of the province of Quebec with reference to the formula which is now under discussion?

Mr. Fleming (Eglinton): Mr. Chairman, may I take up the remarks made and questions put by the hon. member for Laurier before coming to the matters raised by the Leader of the Opposition. It is quite true the premier of Quebec expressed himself, I think it is fair to say, in laudatory terms of the atmosphere of the dominion-provincial conference of 1957. I know a great many of the delegates from the provinces expressed themselves to the same effect. They expressed the feeling that there was an entirely new atmosphere there quite different from the atmosphere which had prevailed in dominion-provincial conferences for some years prior to that time in view of the fact that there was no suggestion on the part of the federal government of any take it or leave it attitude, which marked a very strong change in the attitude of the federal government in 1957 as compared with the attitude of the federal government which had confronted them in previous conferences.

Mr. Pickersgill: That is not what Mr. Frost said.

Mr. Fleming (Eglinton): The hon. member for Laurier goes on from there to make statements about the attitude of the premier of the province of Quebec. I am not aware of any expressions of opinion on the part of the premier of the province of Quebec that jibe with those attributed to him by the hon. member for Laurier.

Mr. Chevrier: The hon. minister had better read the newspapers.

Mr. Fleming (Eglinton): It may be the hon. member is better informed on the subject than I, but I have not seen remarks which tally with those attributed to the premier of Quebec by the hon. member for Laurier.

Mr. Chevrier: The hon. minister is not up on the reading of his press clippings.

Mr. Fleming (Eglinton): However, so far as his question is concerned I am not aware of any representations which have been made to us by the premier of Quebec with respect to the Federal-Provincial Tax-Sharing Arrangements Act or the division of yields between the dominion and provincial governments thereby provided.

So far as the remarks of the Leader of the Opposition are concerned, I think they left a quite unfair impression. He seemed to suggest that the dominion-provincial conference of November, 1957 had not been a fruitful conference. The fact is that it was a highly fruitful conference. It was from that conference that the efforts to work out a satisfactory formula for an Atlantic provinces adjustment grant ensued, which reached a happy conclusion in the voting by parliament of the sum of $100 million for the four Atlantic provinces over the period of four fiscal years.

In addition to that, Mr. Chairman, it was out of or in the course of that meeting when the provinces stated their needs, and in the light of those statements and the further representations which were made to us by the provincial treasurers in the ensuing weeks, particularly urgent in the light of their need to prepare their budgets for presentation to their legislatures early in 1958, that we asked the house to increase the provincial share of the yield from the personal income taxes from 10 to 13 per cent. That amendment of last year, as I have indicated already this afternoon, has brought very substantial benefits to the provinces. They are asking for a continuation of those benefits, and this measure which we are asking the house to endorse now is one which I think I can assure the house is being urgently and anxiously awaited by all provincial treasurers.

Mr. Pickersgill: Mr. Chairman, I think the minister's memory has failed him a little when he talked about the view taken at the conference in 1957 about a different attitude. I would like to read a little of what Mr. Frost said at this conference about Mr. St. Laurent. He said:

> As I say I would like today again to voice my appreciation for his ability as chairman of several conferences and meetings and my thanks for the infinite patience—

I underline those words to the minister, and also the words "several conferences". It was not just a two-day shotgun affair, Mr. Frost continued:

> —for the infinite patience he has invariably shown, for his unfailing courtesy which I think sprang from Mr. St. Laurent himself and from the fact that he is, basically, a Canadian gentleman and comes from that great race, two of the attributes of which are courtesy and understanding.

That is what the premier of the senior province said about Mr. St. Laurent and the way he conducted conferences when he was prime minister.

(Translation):

Mr. Denis: Mr. Chairman, I realize that the hon. Minister of Finance (Mr. Fleming) cannot answer for the premier of the province of Quebec, but everybody knows that the attitude of the province of Quebec is utterly negative and that, far from helping in any way to settle this matter, the Quebec premier has always given a negative answer. At no time did he offer any serious alternative.

I have a question to ask and I should like to refresh the memory of the Minister of Finance. I shall even refer to the 50 Conservative members of this house who sup-

ported the attitude of the Quebec premier. Can the minister tell me if they have made any representations to him for a change in the principle of the act as passed by the former government. I shall get a bit closer still to the minister and ask him: Did the Solicitor General (Mr. Balcer), his colleague, make any representations requesting that this act which he said was unconstitutional, be made constitutional.

Moreover, in order to prove what I am saying, Mr. Chairman, I shall refer to a question and answer which appear on page 134 of the French edition of the official record of this house for 1957-58.

The member for Joliette-L'Assomption-Montcalm, Mr. Maurice Breton, who was a good representative, said at that time:

> Mr. Speaker, may I ask the hon. Solicitor General a question?
>
> When sitting in the opposition the hon. Solicitor General has, on various occasions, given expression to the well-known thought that federal subsidies are unconstitutional. The opinion which he voiced then was shared in every way by the government of the province of Quebec. In view of the proposed federal-provincial meeting on fiscal matters, could he tell us now if he will oppose the subsidies which his government seems to be preparing at this time?

That was October 18, 1957, and Mr. Balcer answered as follows:

> Mr. Speaker, I would like to tell my hon. friend that I am still opposed to subsidies such as were proposed by the former government. As to his question, it seems to be a hypothetical one, but I am—
>
> An hon. Member: A political one—
>
> Mr. Balcer: —and a political one, yes. I want to tell him that the proposals of the federal government are not yet known, but I am convinced that they will be made on a very different basis from those of the former government.

According to the answer given me by the hon. Minister of Finance a moment ago, I must say that the only change that was made in this legislation is the amount of money given to the various provinces. It is not a question of dollars and cents that will make a legislation constitutional or unconstitutional. If the act was unconstitutional before the amount was raised, it is still so after any increase. Now because the Solicitor General had promised his voters that there would be a change—for in his view the wording of this legislation made it unconstitutional and a violation of provincial rights—he should have made representations to the Minister of Finance, as should also all Quebec members, urging him to change the principles and the basis of a legislation which, he alleged, was unconstitutional.

I see that the hon. Minister of Mines and Technical Surveys (Mr. Comtois) is smiling, but he has been more cautious than his colleague the Solicitor General, because when asked the same question at that time, he refused to answer and preferred to wait until the government legislation was before the house. He did not wish to commit himself, because he knew very well that whatever reason he would give, he would have to follow the instructions of the head of the government.

Therefore, I ask the hon. Minister of Finance whether Quebec members, including the hon. Solicitor General, have made any representations to him? If so, why were not those representations favourably considered and why does the government come up with that selfsame act which had been adopted under the Liberal regime? In fact, only the amount has changed.

To say that granting 13 per cent instead of 10 per cent brings more money to each province is self-evident, and that is what was argued this afternoon. However, I should like to know whether the hon. minister has received any representations from the Solicitor General or from the Quebec members, and, if so, why those representations were ignored.

Mr. Chairman, I demand an answer. Yesterday, I was told that I kept silent on the matter. I find that if anyone should not remain silent, it is the Minister of Finance, considering that his own legislation is under review.

It is true I have not spoken every day for 22 years, but at least, I did not tell lies and I never tried to mislead people. When I spoke, I spoke the truth, and when I supported certain policies in election campaigns, I supported them in the house too. There have been times when I spoke and voted against my own party since, having promised my electors I would take a certain stand, I behaved accordingly. Therefore I am not like those people who rebuke me and who say in their constituencies that something is white and then say here in the house that it is black. Mr. Chairman, I should like to get a reply from the Minister of Finance before he is accused of being speechless as I was accused recently. It seems to me it should be easy to know, Mr. Chairman, whether the minister has received any representations from Quebec members for a change in the principles of this legislation.

(Text):

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member does not seriously expect an answer to questions of that kind. He is asking me about discussions with my colleagues both in the cabinet and in the house. He knows perfectly well that these things cannot be disclosed.

(Translation):

Mr. Denis: Mr. Chairman, whether representations were made or not, we realize that the minister did not take heed of the advice given him, and that this legislation which, according to hon. friends opposite, was unconstitutional two years ago, is still so today. Therefore, those who vote in favour of this legislation, and declare it constitutional because of a 3 per cent increase are, in my opinion, hardly logical. Those are the people who, during election campaigns, condemned that legislation which they now approve in the house.

(Text):

Mr. Chevrier: I should like to ask the minister one or two additional questions. Last year, if I understand this matter properly, the provinces received 13 per cent of the personal income tax. But the 13 per cent was based on the amount fixed in 1956, the 1956 rate, if you prefer.

Mr. Fleming (Eglinton): The rate in effect in January, 1956.

Mr. Chevrier: Yes. Thank you. This year the government announced an increase in the rate of the tax on personal income and, if I understand the position properly, the provinces will on that account receive somewhere in the neighbourhood of $130 million. The share of the provinces remains unchanged. The point with which I am concerned at the moment is this: is it not a fact that the federal government gets a larger share of the personal income tax revenue because of the increase in the rate this year and that as a consequence the provinces will receive a lesser share in that field than last year.

Mr. Fleming (Eglinton): They may be getting a smaller percentage of the total tax levied on personal income, but their receipts in aggregate will be increased substantially, as I have indicated.

Mr. Chevrier: That is in part what I said in my statement yesterday and if the minister will look at it carefully he will find that although he took exception to it in his remarks, that is the effect of the statement I made.

Now, if I may, I shall pursue that further. Under the formula as it was first enacted, 9 per cent of corporation profits go to the provinces, while 38 per cent of these profits are assigned to the federal government. It follows from that that the proportion received by the provinces is 24 per cent of that received by the federal government. That is under the old system. This year, however, the government has increased taxes on corporation profits and I take it that this means that the proportion going to the provinces is 9 per cent of the corporation profits while the federal government's proportion will be 41 per cent. The consequence of this is that the proportion a province receives will be 22 per cent, so the relationship is now smaller. In other words, is it not a fact that because of the increase in the corporation taxes this year the provinces will be receiving less in that field?

Mr. Fleming (Eglinton): There is nothing in the present measure which has any bearing upon the yield from taxes on corporations.

Mr. Pickersgill: Yesterday afternoon the hon. member for Bellechasse in his contribution to this debate made certain references to statements which were made on April 14, 1954 by the Hon. Jean Lesage, who was then a member of the government of that day. Those references gave an impression of what Mr. Lesage has said in the debate which, I thought, did not represent at all accurately the position which he, as a member of that government, took. It seems to me, as a member of that government at that time, that since the hon. member for Bellechasse was allowed to make this reference I should also be allowed to refer to the remarks which Mr. Lesage made in order to indicate clearly what position he did, in fact, take.

I am reading from the French *Hansard* at page 4319:

(Translation):

I would be the last one to suggest that the Quebec legislature had no right to impose such a tax. The constitution gives it the right to impose direct taxes within the province for provincial purposes. The problem is not whether the province has the right to tax personal income, for such a right is recognized.

(Text):

And a little later, he said:

(Translation):

In either case, Mr. Speaker, is there anything but the recognition of a parallel and concurrent right; in both cases, the Canadian government makes an honest effort to help the provinces, while eliminating the inconvenience of double taxation for the taxpayers, and the cost thereof for the governments.

(Text):

Now I have a question I should like to put to the minister. It concerns the question which was put by my hon. friend from Burin-Burgeo at the resolution stage.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

June 4, 1959

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor

General, will proceed to the Senate chamber today at 5.45 p.m. for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,

Lionel Massey
Secretary to the Governor General

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act for the relief of Audrey Isabella Wanda Patterson Gray.

An act for the relief of Raymonde Gagnon Tremblay.

An act for the relief of Aline Brunette Farago.

An act for the relief of Martina Bernice Patterson Baker.

An act for the relief of Nelly Hugentobler Larsen.

An act for the relief of Jean Trachtenberg Levy.

An act for the relief of Louise Martel Abel.

An act for the relief of Marie Louise Fauteux Roy.

An act for the relief of Helen Lyon Bain Gardeler.

An act for the relief of Joan Brazer Brazier.

An act for the relief of Maria Luise Ahnhudt Sandberg.

An act for the relief of Susan Gilda Levin Klein.

An act for the relief of James Alvin Bradley.

An act for the relief of Emily Mary Kredl Keller.

An act for the relief of Raymond Winston Farren.

An act for the relief of Marie Lucille Pauline St. Jacques Parent.

An act for the relief of Mario Baldo.

An act for the relief of Frank William Staples.

An act for the relief of Zdenek Nosek.

An act for the relief of Margaret Viola McCullough Morrow.

An act for the relief of Sheila Carole Neidik Schwartz.

An act for the relief of Gordon Clarence Hunting.

An act for the relief of Ida Shlafman Zimendstark.

An act for the relief of Audrey Elsie Asbury Ross.

An act for the relief of Patricia Anne McKenna Coombes.

An act for the relief of William Lawrence Hughes.

An act for the relief of Armand Lacombe.

An act for the relief of Rita Steinbach Gruia.

An act for the relief of George Meredith Scott Burton.

An act for the relief of Helen Borer Marcovitch.

An act for the relief of Emilia Mildora Kavalas Chesna.

Royal Assent

An act for the relief of Clarice-Mae Barraclough King.

An act for the relief of Margherita Elaina Milano Di Pietro.

An act for the relief of Lucille Gagne Labonte.

An act for the relief of Jean Louis Mathieu.

An act for the relief of Llui-Amoy Wheatley Fraser.

An act for the relief of Phyllis Pamela Allen Ashburner-Collins.

An act for the relief of Albert Reginald Bissonnette.

An act for the relief of Alexander Abraham Hendy.

An act for the relief of Winifred Martin Collier.

An act for the relief of Jeannine Aimie Alice Mercier Mahaut.

An act for the relief of Claude Desroches.

An act for the relief of Mildred May Eunice Charron Roblee.

An act for the relief of Pierre Joseph Gabriel Sorba.

An act for the relief of Gaston Vadnais.

An act for the relief of Theodora Cornell Moore Martin.

An act for the relief of Rose Ange Lorange Gadoury.

An act for the relief of Brenda May Newbury Sherwood.

An act for the relief of Lilliane Reed Volchuk.

An act for the relief of Fernand Filiatreault.

An act for the relief of Elisa Gislena Maria Blankaerts Juneau.

An act for the relief of Louis Gustave Rey.

An act for the relief of Gertrude Mary Prosser Hortig.

An act for the relief of Mary Barbara Jex Light.

An act for the relief of Joan Elizabeth Healy Watson.

An act for the relief of Franz Prader.

An act for the relief of Emilienne Celestine Mallard Grossin.

An act for the relief of Gertrud Maria Meta Wauer Macovetsky.

An act for the relief of Mohammed Dijiro.

An act for the relief of Aurore Giguere Gourd.

An act for the relief of Lucinda Marguerite Vaughan Flood.

An act for the relief of Joan Turvey Fields.

An act for the relief of Patricia Elizabeth Tobias Garber.

An act for the relief of Marian Ida Rex Ross.

An act for the relief of Mary Ann David Arial.

An act for the relief of Marjorie Barbara Hawthorn Morrison.

An act for the relief of Sarah Friberg Lazare.

An act for the relief of Marie Adrienne Maryse Dagenais Garlick.

An act for the relief of Alexandre Pare.

An act for the relief of Norman Grover, otherwise known as Norman Bernard Grover.

An act for the relief of Marjorie Winifred Joyce White Young.

An act for the relief of Helga Fischer Dollard.

An act for the relief of Marguerite Louise Agathe Piche Chartrand.

An act for the relief of Marcelle Flore Terrault Wright.

An act for the relief of Daisy Naydia Pretula Link.

An act for the relief of Alexander Hill Forbes.

An act for the relief of Barbara Ann Mary Curran Albrechtson.

An act for the relief of Dorothy Vera Doyle Trudel.

An act for the relief of Mary May Helen McCormick Moran.

Royal Assent

An act for the relief of Ethel Marguerite Nimick Hemmings.

An act for the relief of James Donald McAllister.

An act for the relief of Heather Joan Maxwell Firth.

An act for the relief of Suzanne Mary Florence Peyton Young.

An act for the relief of Elizabeth Ann Nelson Bissett.

An act for the relief of Moira Elizabeth Latham Bruce.

An act for the relief of Audrey Edwardeen Scanlan Grayburn.

An act for the relief of Oscar Roy.

An act for the relief of Rosy Fish Tatelman.

An act for the relief of John Andrew Buzzell.

An act for the relief of Barbara Lucy Bain Forbes Logan.

An act for the relief of Ghitta Caiserman Pinsky.

An act for the relief of Florida Seyer Girard.

An act for the relief of Maria Adriana Sluis Metcalfe.

An act for the relief of Irene Kramer Segal.

An act for the relief of Lois Genevieve Good Mulcahy.

An act for the relief of Frances Lerner Rotman.

An act for the relief of Mose Takacs.

An act for the relief of Catherine Mary Rita Durning Dossett.

An act for the relief of Dorothy Elizabeth Fremantle Fleming.

An act for the relief of Donald Edward Cook.

An act for the relief of Maria Carmella Gentile Hammill.

An act for the relief of Ivy Mildred Patch MacDonald.

An act for the relief of Mary Friend Bond.

An act for the relief of Eleanor Patricia Henderson Cosh.

An act for the relief of Patricia McDonald Bouthillette.

An act for the relief of Louis Marcel Blondin.

An act for the relief of Janet Marianne Louise Kippen Coulombe.

An act for the relief of Demetra Paul Garini Liogas.

An act for the relief of Paul Alexander Cross.

An act for the relief of Elisabeth Marguerite Le Febvre Walker.

An act for the relief of Joseph Roger Wilfrid Girard Frigon.

An act for the relief of Jean Paul Frechette.

An act for the relief of Ben Plotkin.

An act for the relief of Tibor Matthias Miletics.

An act to amend the Representation Act.

An act to incorporate Lutheran Church—Canada.

An act to amend the Veterans Rehabilitation Act.

An act to amend the War Service Grants Act.

An act respecting The Canadian Legion of the British Empire Service League.

An act to incorporate Export Finance Corporation of Canada, Ltd.

An act to amend the Excise Act.

An act to amend the Customs Tariff and The New Zealand Trade Agreement Act, 1932.

An act to amend the Old Age Security Act.

An act to provide for the Appointment of Parliamentary Secretaries to Ministers.

An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1960.

Mr. Speaker: The house will resume the business which was interrupted upon the arrival of the Gentleman Usher of the Black Rod.

[Mr. Speaker.]

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

FURTHER EXTENSION OF INCOME TAX RATE

The house resumed consideration in committee of Bill C-41, to amend the Federal-Provincial Tax-Sharing Arrangements Act—Mr. Fleming (Eglinton)—Mr. Rea in the chair.

On clause 1—*Alteration of act in its application to fiscal year ending March 31, 1960.*

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Pickersgill: Mr. Chairman, when we were interrupted by the arrival of Black Rod I was just at the beginning of a question to the minister and I think I had gone so far as pointing out that the question was asked at the resolution stage by the hon. member for Burin-Burgeo. The minister will recall that on April 20 the Prime Minister, on the television network program "The Nation's Business", made a statement in which he said:

> In the very careful study which I have been giving to this whole matter, I find that since confederation Newfoundland has received a total of $300 million from the federal government, including the amounts for the current year.

Then he went on to show how this $300 million was made up. My hon. friend asked that comparable totals be given for all the provinces. The minister will recall also that a starred question was asked by the hon. member for Trinity-Conception requesting not merely the total but also breakdowns for the other three Atlantic provinces and for Manitoba and Saskatchewan, and that question was made an order for return before this debate began. I do believe, in view of the fact that these figures have been given and that the Prime Minister claimed on TV he had made a careful study of the matter, that comparable figures should be given. Obviously, the Prime Minister would not have said he had made a careful study of this matter if he had not compared the Newfoundland figures with the other figures. I would not suggest for a moment that the Prime Minister would have obtained the figures for Newfoundland and, without relating them in any way to the other provinces, put them forward as though they were something startling.

Mr. Fleming (Eglinton): It should be noted, Mr. Chairman, that the hon. gentleman takes his starting point, not from anything said

in the course of the debate on this measure at its various stages but rather from what the Prime Minister said during a television broadcast. What was referred to there embraced a great deal more ground, of course, than the bill now before the committee. It embraced not only the unconditional payments provided for under the Federal-Provincial Tax-Sharing Arrangements Act, but all manner of conditional payments that the federal treasury contributes to the assistance of the provinces.

It is quite obvious that the type of material now sought is quite outside the scope of this measure and outside the scope of the present debate. This does not mean that the hon. gentleman cannot possibly obtain the information he wishes. As a matter of fact, there was an order of this house passed some days ago which, in its scope, embraced as I understand it the information now sought by the hon. gentleman.

Mr. Pickersgill: Some of it.

Mr. Fleming (Eglinton): The information the hon. gentleman is seeking could be had at any time in the proper way. It is not relevant to this measure now before the committee. The hon. gentleman can certainly have the information. When it was requested I indicated it was not available then. The information, so far as it was within the possession of the finance department, was compiled in response to the order for return passed by the house, and that will be forthcoming in the ordinary course. It includes much that is quite outside the scope of the present measure.

Mr. Pickersgill: I must say, Mr. Chairman, there certainly seems to be in the opinion of the minister, one rule for one side of the house and one for the other, because in his speech closing the debate on second reading he made very considerable reference, without giving precise figures, to this very subject. It seems to be all right for the minister to traverse all kinds of ground but when anyone on this side of the house attempts to obtain information, then he is told it is outside the scope of the bill.

The purpose of this legislation is to increase the amounts the provinces will receive under the tax-sharing arrangements. It is hard to conceive of anything that could be more relevant, if we are to give proper consideration as to whether this is the right amount or the adequate amount, than knowing what the total amount is that the provinces have received.

There is another reason for asking for this information. The Prime Minister said he had given very careful study to this matter. The Minister of Justice went down to Newfoundland and gave figures on the same subject which turned out to be hopelessly incorrect, and which he said he obtained from the Department of Finance. This whole information relating to Newfoundland has, in our opinion, been used to create an entirely illusory impression on the public. We do believe, when we consider this problem of federal-provincial financial relations, that we are entitled to the information for all the provinces.

The minister says we can get this. My hon. friend from Trinity-Conception put a starred question on the order paper a week after this broadcast was delivered, that is to say late in April, and it is now June 4 but we have not received this information yet. It is all very well for the minister to say that we can get this information. It is true that we can put motions on the order paper; it is true we can put questions on the order paper which are then made orders for returns and are buried in the department of the Secretary of State, which seems literally to have become a burial ground for these returns. If the rules permitted me, I would say that I do know the department has this information. I know it would not take the minister two minutes, if he has brought them with him from the department, to produce the figures giving the comparable totals for all the provinces. I know this because I used to be a member of the government and, from time to time, I used to get this information. It did not take two months to get it, either. I cannot believe that the machinery of government has broken down quite to that extent in the two short years the hon. gentleman has been presiding over the Department of Finance, although we know there has been a very sad deterioration. I do suggest the minister would facilitate the passage of this legislation by giving this information here and now.

The Deputy Chairman: Shall clause 1 carry?

Mr. Pickersgill: I have another point that I want to take up, since I take it we are going to be denied this information. We are told we can get it, but it seems to be impossible to get it when you ask for it. The minister also talked about the beautiful harmony that had been established between the federal government and the provinces since this government came into office. When the hon. member for Laurier suggested that perhaps this harmony, in so far as the government of Quebec was concerned, is not as great as it seemed to be two years ago, the minister said he had not read anything to indicate the contrary.

I happen to have right here in my hand a clipping from one of the minister's favourite newspapers, *Le Devoir,* for April 2 of this year—I shall not quote this because it is not directly on the point—in which the premier of Quebec took the most violent exception to action taken by this government. This is only one of many that we could furnish.

But it is not only with the government of Quebec that we have this new harmony. Last week in another debate we witnessed—and I am not going to traverse it—the Prime Minister making attacks on the governments of two provinces in a single speech. That is something that did not use to happen when we were in office. I never, during the time that Mr. St. Laurent was in office, heard him make any attack on any provincial government, whatever the provocation.

If the hon. gentleman thinks his government has good relations with the province from which I happen to be elected, I think perhaps he is unique in holding that view. The fact of the matter is that since this government came into office there has been a most shocking deterioration in the relations between the federal government and the governments of the provinces. Part of the reason for that deterioration is that the provinces and the public were told in 1957 that a Conservative government would solve this problem at a single conference. Instead of that, we have this one year at a time business.

I ask you, Mr. Chairman, why do we have this bill brought back every year? The Leader of the Opposition pointed out quite clearly this afternoon that this government has not any intention of doing anything more than this for the currency of these agreements. Why does not the minister ask right here and now to amend this bill in committee and at least spare us this annual agony until 1962? He is not ever going to do any more and he knows it perfectly well. Mr. Frost is not going to get one nickel—and let the minister remember that phrase; he is not going to get five cents—of his hundred million dollars from this government; not five cents of it. This camouflage about this pale imitation conference, for which this government—as the minister admitted this afternoon—has no program at all, no agenda, no proposals, is all we have.

Mr. Fleming (Eglinton): That is untrue.

Mr. Pickersgill: Let the minister show them to us.

Mr. Martin (Essex East): Tell us of them.

Mr. Pickersgill: I remember the minister standing in his place here and condemning Mr. St. Laurent when he was prime minister for not producing an agenda in advance for a Commonwealth prime ministers' conference in London. But here is a conference of Canadian governments about the business of the people of Canada and not one word can we get out of the minister as to what is going to be discussed there except the vague kind of generalities that the Prime Minister gave the mayors up in North Bay. I say that this legislation is simply an insult to parliament and an insult to the government of the provinces.

Mr. Chevrier: I should simply like to remind my hon. friend of something of which he was not aware before six o'clock when I brought to his attention the strong protests that had been made by the premier of the province of Quebec in connection with this whole taxation field and more particularly with this measure. The minister said that he was not aware of these statements. I should like to put a short quotation on the record.

Mr. Fleming (Eglinton): I think my hon. friend will agree that what I said was that I was not aware of statements that tallied with those he was ascribing to the premier of Quebec.

Mr. Chevrier: I stand corrected, Mr. Chairman. Let us see how the statement I am about to read tallies with what I said. I will leave it with my hon. friend to make the comparison when *Hansard* appears tomorrow. This statement was made by the premier of the province of Quebec and is to be found in *Le Devoir* of April 2, 1959. It reads as follows:

(Translation):

"Ottawa has no right to impose taxes in a province for provincial motives", declared the premier. "Only a province may levy taxes within the limits of its territory for provincial ends. When Ottawa imposes taxes in a province, for provincial objects, Ottawa is encroaching. Indeed, that is theft. For any encroachment with regard to those rights is both a violation and a theft."

(Text):

I did not go nearly that far. I tried to be moderate in my language and I would appreciate it if the minister followed that example sometimes when he makes his rather violent speeches in this house. But here the premier of the province of Quebec goes much further than I went. He says it is outright theft and constitutes a violation of the constitution of this country. I am not going any further than saying what I did say. I simply wanted to put this on the record so that there would be no doubt as to the words of the premier of the province of Quebec. I still believe that my hon. friend must have had some idea—general, special or otherwise—of this statement made by the premier of the province of Quebec.

Mr. Bourget: Can the Minister of Finance tell us whether, after the meeting of pro-

vincial treasurers at the beginning of July, there will be a formal conference of all the premiers of the provinces this year?

Mr. Fleming (Eglinton): I cannot pinpoint any particular date for a plenary conference. That will depend upon a number of circumstances. However, I am sure that the steps which will be taken, both in the course of the ministerial conference in July and the meeting of the continuing committee to follow and the studies that will follow that again, will contribute greatly to making effective the work of any plenary conference when it may be deemed appropriate to call it.

Mr. Pickersgill: There is one more question I should like to ask the minister. He did not say anything in reply to my suggestion that he amend this legislation in order to make it apply until March 31, 1962. Since it extends only until March 31, 1960, if we pass this legislation in its present form, we are likely to be faced with the same situation again. As I said a year ago—I will not weary the house by repeating my words—when another year is up we will be faced again in another session with exactly the same kind of demand for urgent action at the last minute as we have this year. That is what is going to happen in 1960 if we pass this legislation in this form. What I say is this. Does the minister have any serious expectation of making any different arrangements between now and March 31, 1960? Has the government any plans to make any different arrangement?

Mr. Fleming (Eglinton): The government has plans to discuss this and allied subjects with the provinces in the manner indicated and we look for fruitful results.

Mr. Pickersgill: I would just point out that the government not only had these plans but had promised in November, 1957 that it would discuss these matters with the provinces in the first month of 1958.

Mr. Martin (Essex East): In May of 1957.

Mr. Pickersgill: No, in November at the conference, when the conference closed, it had made a promise. Oh, the hon. member for Essex East refers to the promise they had made in May of 1957. I am glad my hon. friend reminded me of those promises which were to the effect that the Conservatives were going to settle it all in one conference right after the election; they were going to sit down and settle the whole problem once and for all. But of course, as the minister so eloquently said that was the election before the last one; that has already been washed out.

Mr. Martin (Essex East): That was a promise made to the people.

Mr. Pickersgill: Promises made to the electors do not count. The Minister of National Revenue told us that. But then we had a formal promise made to the provincial governments in November 1957—that is here in the proceedings—that they woud meet with the provinces before any further action was taken. That promise, of course, was not kept. The form the meeting took was telegrams, two of which were not received and all of which were filled with mistaken arithmetic which we understand was prepared in Queen's park rather than in Ottawa. We remember all these rather sorry episodes. That was two years ago, or practically two years ago. That was a precise promise. Now we have this pale shadow of a shadow of a shadow of a promise, the pale hope that maybe something will be done at this conference. They are not even going to call the premiers this time. They are just going to call the provincial treasurers and the bureaucrats to sit down to study without an agenda, without any terms of reference, apparently looking for inspiration.

Mr. Hardie: With no money.

Mr. Pickersgill: And as my friend the hon. member for MacKenzie River so eloquently points out, with no money. I think we can draw one of two conclusions. One is that this is going to be like the $40 million to the western wheat farmers; it is going to be a one-shot affair. Next year they will go back to the 10-9-50 formula. Maybe that is what is going to be done after the Ontario election. Maybe it is not going to be renewed at all in 1960.

I doubt if the government would go quite that far, but what do we know? It is only for one year in its present form. I suggest the minister come clean and admit he does not intend to let them have more than the 13 per cent for the rest of the currency of these agreements and ask us to amend the resolution so that we will not go through this painful debate again next year.

Mr. Bourget: If I may follow up the answer given me by the Minister of Finance, am I right in saying that we cannot expect any practical results from the conference which will be held here in Ottawa at the beginning of July and that there will be no formal conference of the prime ministers of the provinces this year?

Mr. Fleming (Eglinton): The version now coming from the hon. gentleman does not bear very much resemblance to the statement on my part which he now purports to be summarizing.

Mr. Chevrier: Perhaps he is following the example of the minister.

Mr. Bourget: Might I tell the minister that we are not far from the truth, because in 1957 a federal-provincial conference was held here in Ottawa and we were told then there would be a federal-provincial conference at the beginning of 1958. We are now into June of 1959, a year and a half after, and that conference has not taken place. That is the reason I am asking the Minister of Finance, because all the premiers of the provinces are asking the same question: Are we going to have this year another federal-provincial conference which will give results; and not the kind of results we were given to understand by the Minister of Finance or the hon. member for Bellechasse last night when they were denying all the promises they had made in the last federal election, in the province of Quebec particularly, and I hope we will have an answer from the Minister of Finance on that very important question.

Mr. Chevrier: The silent minister.

(Translation):

Mr. Denis: Mr. Chairman, the hon. member for Bellechasse (Mr. Dorion) could perhaps say the Minister of Finance (Mr. Fleming) is speechless, for he has repeatedly failed to answer our questions.

While we are on the subject, and as the hon. members from Quebec have suddenly decided that the act has become constitutional, because the amount has been increased, I must say that those were rather funny principles which they put forward during the election campaign, since they are supporting that legislation, except those who do not come out to vote and who are probably expecting to be among the appointees. Besides, I believe it is about time the parliamentary secretaries were appointed before strife breaks out in the Conservative ranks. So I take the liberty of quoting the statement made by the hon. member for Bellechasse in a speech at Honfleur, as recorded in the *L'Action Catholique* of March 29, 1958 I quote:

> The vengeance of Canada's present Prime Minister, Mr. Dorion predicted, will consist in handing back to the province of Quebec the autonomy it had been deprived of by the Liberal administration, and to restore to that province, which he has described as the very foundation of Confederation, all the sources of taxation and all the rights to which it is entitled under the constitution.

Mr. Chairman, it is doubtful whether the hon. member for Bellechasse would be able to answer this question, but since it primarily concerns the Minister of Finance, perhaps the minister would tell the house what sources of taxation have been handed back to the province of Quebec and to other provinces, by the hon. member for Bellechasse and the present government, who have been representing themselves as great champions of autonomy.

(Text):

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time?

Some hon. Members: Now.

Mr. Chevrier: Next sitting of the house.

Mr. Speaker: Next sitting of the house.

SUPPLY

House in committee of supply—Mr. Rea in the chair.

DEPARTMENT OF PUBLIC WORKS

318. General administration, $9,335,045.

(Translation):

Mr. Bourget: Mr. Chairman—

(Text):

Some hon. Members: Oh, no!

Mr. Bourget: What is wrong? Last year I spoke in English; am I not permitted to speak in French this time? It may be a new experience for our minister of external affairs to have a lesson in French! It may be very useful to him, particularly when travelling around the country of France. Nevertheless:

(Translation):

Mr. Chairman, you will allow me to associate myself with all those who, this afternoon, tendered their congratulations to the hon. Minister of Public Works (Mr. Green) on the occasion of his appointment to the post of Secretary of State for External Affairs. I may say that, if at times, during our discussions in this house, and more particularly with regard to the Department of Public Works, there were differences of opinion between us, the minister knows very well that we were in good faith and that we both wanted to work in the best interest of the department and of this country.

I am certain that the minister, whom I have known for 19 years, will bring to his new and significant functions the same devotion and zeal which he has shown as Minister of Public Works.

Mr. Chairman, honestly I feel a little ill at ease tonight, and I wonder if, before officially accepting the post of Secretary of State for External Affairs, the minister had not already used his great diplomatic talent, for when submitting the estimates of his

department at this time, he puts me in a somewhat difficult position, because, during the 19 years I have been in this house, the Secretary of State for External Affairs has always inspired us great respect. Now, in saying this I do not mean that we had no respect for the present Minister of Public Works; indeed, he knows precisely what I mean under the circumstances.

Mr. Chairman, I want to assure the minister that my best wishes for success, and particularly also for good health will accompany him, as he knows from experience that his new post will oblige him to travel frequently and to work very hard. So once again, in my own name and on behalf of my colleagues, as our leader said this afternoon, we wish him good luck and good health.

Mr. Chairman, I do not propose, at this stage, to discuss in detail the estimates of the department on the first item; I shall limit myself to certain remarks of a general nature. I shall have the opportunity, a little later, on the study of other items, to come back to the matter.

Before I go on with my remarks, I should like to associate myself with the Minister of Public Works in congratulating all the employees of that department for their excellent work, as well as for their spirit of initiative and devotion in the exercise of their duties. I wish to tell them that the criticisms I shall make will in no way mean that they have neglected their work or that they are less efficient than last year. If some expenditures have been reduced or have not been made, it is by no means my intention to lay the blame upon the employees of the department, whatever their functions may be, but solely upon the government.

We recall that, when he introduced his estimates last year, the minister spoke for more than an hour and made a very detailed review of the projects carried out by his department in the fiscal year 1957-58.

He had then recalled all the works that had been done in the various provinces, forgetting however to say that a great part of those works or projects had been initiated or provided for by the previous administration.

Mr. Chairman, may I be allowed to recall certain words spoken by the minister on that occasion. As recorded on page 901 of *Hansard* for June 6, 1958, he said:

> There has been another interesting improvement in the work of the department, and this comes to light when one considers the percentage of the estimates which has been spent.
>
> I remember some years ago, particularly before an election, when the minister of public works of that time brought down estimates which were simply padded with items which the department had no intention of proceeding with in the fiscal year for which the estimates were tabled. I remember myself, as the opposition critic of the department at that time, referring to votes in different provinces, and it was fantastic the way those estimates had been padded for election purposes.
>
> In the year 1957-58, some 97 per cent of the allotments has been spent, compared with 91.7 per cent in the previous year.

The minister went on to say, on page 909 of *Hansard* for the same day, that in the case of many important projects, he had pushed the plans through in order to provide employment much earlier than would have been the case otherwise. And as reported on page 901, he stated:

> All these projects have been rushed ahead at a rate which would have left the former administration breathless and lying on the side of the road.

Well, let us take a look at what happened during the fiscal year 1958-59.

According to table 26, of page 65 of the budget papers tabled by the Minister of Finance on the day of his budget speech on April 9, the expenditures of the Department of Public Works for the year 1959 reached a total of $211.9 million, whereas the appropriation represented an amount of $237 million.

We find, therefore, that on a percentage basis, the efficiency of the department of Public Works, in 1958-59, dropped to less than 90 per cent, or to be precise, to 89.5 per cent, or 2.2 per cent lower than in the last year of Liberal administration, 1956-57.

However, in introducing his estimates on Thursday, May 21, the minister mentioned that the department's total expenditures reached $220.3 million for the 1958-59 fiscal year. Even if you accept this figure of $220.3 million as representing total expenditures for the last fiscal year, and if you subtract from that amount the $51.1 million represented by contributions to the provinces for the trans-Canada highway, which does not come under the direct responsibility of the federal government, there remains an amount of $169.2 million which was spent directly by the department.

On the other hand, the total amount of funds voted for this purpose for the fiscal year 1958-59 was $192 million, which is the difference between $237 million and the $45 million representing the estimated contributions to the provinces for the trans-Canada highway.

We can therefore realize that, in point of fact the efficiency of the department reached 88.1 per cent.

I would not like, Mr. Chairman, to irk the minister, especially today when he has just been appointed Secretary of State for External Affairs, but just the same, I hope, he will harbour no hard feelings against me if I use the very phrases he used with regard to us last year. In my opinion, it would be wise to remark here that the minister became quickly out of breath since within a single year the percentage of efficiency suffered a substantial decline. We can also infer that if in 1957-58, 97 per cent of the appropriations had been spent, this was undoubtedly due to the fact that most of the projects implemented during that year had been prepared by the former Liberal administration.

I have drawn up a table which gives us a rather good idea of the degree of efficiency in the Department of Public Works during the fiscal year 1958-59. After adding up the appropriations in the main and in the supplementary estimates, I compared them with the expenditures which were made during the year which are shown in table 26, on page 65 of the budget papers tabled in the house by the Minister of Finance (Mr. Fleming) on the occasion of his budget speech.

Under the heading "Public Buildings—construction and services—Acquisition, construction and improvements of public buildings", we find that an amount of $25.1 million was voted while $19.8 million were spent, that is a percentage of 78.9 per cent.

For other centres in Canada, outside of Ottawa, $43.4 million were voted, while $34.1 million were spent, that is a percentage of 78.6 per cent.

Under the item "Harbours and Rivers Engineering Services—Acquisition, construction and improvements of harbour and river works", we notice that $37.2 million was voted while $27.3 million was spent, that is, a proportion of 73.4 per cent.

And now, under the item "Development Engineering Services,—Trans-Canada Highway—Construction through National parks", which comes directly under the jurisdiction of the department of the federal government, $12.5 million were voted, while $10 million were spent. The proportion there is 80 per cent.

So we can realize that the degree of efficiency with regard to those various items, which concern construction more particularly, varies from 67.3 per cent to 80 per cent.

[Mr. Bourget.]

It is indeed strange, under the circumstances which existed in 1958-1959, having in mind the record number of unemployed at the time, that the Department of Public Works spent $22.8 million less than provided for in the estimates. It might be worth noting that, in fact, the expenses of the department for the year ending March 31, 1959, increased by only $14 million as compared with 1957-58.

Mr. Chairman, we found that we were very far from the glittering promises made by the Prime Minister (Mr. Diefenbaker) in February 1958, when he was talking of his great special public works program to the amount of $1,185,000,000. Canadians, during the last fiscal year, have fully realized that that program was nothing but window dressing and represented only the normal expenditures of the government departments and agencies, plus some investments by the Central Mortgage and Housing Corporation.

Some hon. Members: Hear! Hear!

Mr. Bourget: Now let us take this year's estimates, the estimates for 1959-60. It would be a good thing to point out that the estimates for the current year, as listed in the blue book, show a decrease of $18,665,715 in construction of public buildings and of $5,692,300 for harbours and rivers, thus bringing the total decrease to more than $24 million.

The supplementary estimates are not all known as yet but, judging from past experience, the supplementary estimates for the Department of Public Works usually amount to $14 or $16 million. We would then have, under these two important headings, a decrease of $8 to $10 million, including the supplementary estimates that will come later.

In fact, Thursday, May 21, the minister said that the estimated amount required for the year 1959-60 was $173.6 million, or $17.8 million less than the previous year. The minister indicated at that time that he was hoping that no one would criticize him for having reduced the expenditure. However I hope he does not expect us to congratulate him. Indeed, Mr. Chairman, this substantial decrease seems very strange to me, and I wonder what causes it. Would it be that the projects that the Minister of Public Works mentioned last year, when he introduced his budget last May 21st, are not ready? Yet he told us at that time, as found in *Hansard* of June 6, 1958, page 907, and I quote:

We intend to build up a proper shelf of public works which can be called on immediately.

Or is it that the treasury board, under the leadership of the hon. Minister of Finance, is too strict? However that is not what he said—I am referring to the Minister of Finance—that is not what he implied when he said the following, which can be found in *Hansard* of January 21, 1958, page 3569, and I quote:

Let me make it abundantly clear to every member of the house—I made this clear in the financial statement I made in the house on December 6—that the instructions that have been given by the government are to the effect that while we are seeking to reduce expenditure where expenditure is needless we have said that there shall be no reduction in expenditure where it means jobs, and we are seeking to increase construction in useful public works down the line. While next year we would unquestionably like to have a balanced budget, let me make it abundantly clear that we are not going to put a balanced budget above our firm determination to provide, through the agency of public works, jobs for unemployed Canadians.

Well, Mr. Chairman, committee members must certainly find it rather strange that the estimates of the Department of Public Works should be reduced in a year, when, as late as last April, according to statistics, there were more than 445,000 unemployed while, according to statistics supplied by the national employment service, there are 733,000 registered applicants looking for a job.

It seems that the government has been so dazzled by the "vision" it had before the election that it is unable to realize exactly the prevailing situation.

I feel that, instead of reducing estimates assigned to job-making construction projects, the Department of Public Works should have increased them. Thus, the minister would have been consistent, especially in view of the statements he made last year. But again we note that the government does not seem to be taking any action that would make unemployment less severe next winter than it was last winter.

Again, like last year, municipalities will no doubt be saddled with the responsibility of finding work for hundreds of thousands of unemployed. In my opinion, we would be justified in saying that we have heard a lot of empty talk from the government but we have not seen much action, that we have heard many promises, but that few have been fulfilled.

Before concluding my remarks, I want to say a few words about the trans-Canada highway. I do not want to speak lengthily on this subject, because I already had the opportunity to deal with the matter last February. However, I would like the minister to recall that, according to existing agreements, the construction of the trans-Canada highway should be finished by the end of December 1960.

Well, Mr. Chairman, I think it would be interesting for members of this committee, and also particularly for the provinces, to know in advance what the government proposes to do once the highway is completed.

I should like to ask the minister whether he intends this year to call a conference that would be attended by the ministers of highways of the various provinces, and I suggest to him or to his successor to avail himself of this opportunity to send a very special invitation to the hon. minister of highways of the province of Quebec.

Those are the short remarks I had to make, Mr. Chairman, and the minister can be assured that they have been made in good faith.

Before I resume my seat, I want once again to offer my congratulations to the minister and to wish him well in the discharge of his new responsibilities.

(Text):

Mr. Herridge: Mr. Chairman, the Department of Public Works inherits a tradition that finds its genesis in the mist of antiquity. I find on reading that throughout the ages it has been primarily concerned with mortar and water in its various forms. I think it is safe to say that the first well known public work was Noah's ark which was used to rescue mankind from the flood. The second best known public work was the tower of Babel which caused the confusion of mankind in a flood of languages. And so on down through the ages until we come to Canada's best known edifice, the printing bureau, built on a flood as the result of a freshet of errors and a cataract of public expenditure. History abounds with similar errors caused by ignorance and in some cases by cupidity. Fortunately, however, it is replete with illustrations that some person always came forward to take corrective measures to remedy these situations.

Some years ago Mr. Blair Fraser, Ottawa editor of *Macleans* magazine said in his column, which incidentally is read by thousands of people across Canada, "the public works department is the last patronage swamp to be drained". I am of the opinion that Mr. Fraser was a little too optimistic at that time. I think there are a few stagnant

pools in the post office and transport departments, but even those pools are being drained to a certain extent and are in a much better condition in recent years.

A great many people in Canada agreed with Mr. Fraser's statement and a great number of people within the party that was in power at that time felt a general dissatisfaction with the public works department. I am told it was overloaded in the postwar years and that the organization was inefficient and insufficient. A great many people looked for action to remedy the situation.

You know, Mr. Chairman it is remarkable how history repeats itself—even in public works. It is known that the Assyrians and Nebuchadnezzar relied on the astrologers, astronomers and the generals, I find from a reading of history, for the planning of buildings, the building of canals and the building of gardens in the valley of the Euphrates. The Pharaohs, I find on reading history, used their generals to organize the labour required to build the pyramids. Napoleon consulted with his engineers and generals when drawing plans for a new and more beautiful Paris that could be easily defended against invaders.

In 1952 the Canadian government realized that the public works department required some reorganization and improvement. I think because of that realization the Hon. Robert Winters, an engineer, was appointed as the minister. I think all hon. members will agree he was a most capable minister. It was not long before he made history repeat itself. He began to look around the Canadian landscape and appointed a former quartermaster general of the Canadian army as his deputy. They both commenced a reorganization of the department with vigour and dispatch.

We were very pleased with this reorganization. The effect of the appointment of the former minister, the Hon. Robert Winters, and of the present deputy minister was soon noticed in the department and by the results obtained. We were extremely pleased because for years we in this group have been advocating planning in all government activities and in the economic organization of our country. We have taken a strong stand against patronage.

To be quite fair it is much easier to take a strong stand against patronage when you are not in power than when you are in power but we have always taken this stand throughout the years. I can see a certain sympathetic smile in response to that remark on the lips of the minister at this time.

[Mr. Herridge.]

As a result of the efforts of the two gentlemen to whom I referred the draining of the patronage swamp mentioned by Mr. Fraser was nearly completed. I think there are a few odds and ends to be cleared up yet mostly found among lower paid employees and casuals. I am not blaming the senior officials for that nor am I blaming the minister. It is very difficult to have your finger on every little thing that is happening in a department that carries on such large scale operations as does the Department of Public Works.

In 1957 the present minister was appointed and gave the "Green" light—large capital and small letters—for continued efforts to improve the efficiency and planning procedures of the department. This was no easy task, with his party out of office for 22 years. We are all human and, without a doubt, the minister was faced with the long time habits of certain persons who had been used to giving first consideration to Liberal members or defeated Liberal candidates and other persons influential with the party in power. That is a situation that takes some time to correct in fairness and properly. And then, there is always a minority when a party has been out of office that long that wants to feed from the nose bag of patronage.

I want to say right here that I have had something to do with the federal Department of Public Works throughout the years, on one occasion as a conscript employee, and on another as a close observer of a great deal of their work in my constituency, and as a friend of a great many of the officials going back over 50 years. The minister deserves great credit for his demonstration of his consistency, integrity and industry in the administration of his department and his unfailing courtesy to all members, regardless of party.

There is a tradition of public works in the minister's family. I remember the minister's uncle when he was a member of the provincial legislature of British Columbia. He was the first member responsible for getting a few miles of road built in that part of the constituency in which we live. He was responsible for getting the Sandon flume built after the big fire of 1900. He was interested in that. I know that in the early days he was active in public works which were of great concern to everyone in a country lacking roads, communications and so on.

This improvement in departmental organizations would be impossible without the cooperation, professional and administrative ability of the deputy minister, of the senior officials in Ottawa and the district officials and staff throughout the country. I think we should give credit to those who are in quite

minor positions across Canada and who carry on their valuable work from year to year. I know that in the past some have received little sympathy or understanding from headquarters in Ottawa about the problems they have to face from day to day.

We in this group appreciated the minister's statement as to policy, planning and with respect to expenditures. He gave quite an adequate and informative synopsis of the proposals and activities of his department. We were interested in hearing about the proposals with respect to the trans-Canada highway. I was particularly interested in hearing about the program for the building of small, standard post offices throughout the country, which I think will receive unanimous approval. I found an excellent response in my own constituency to this planning ahead for the placement of these small post offices in villages and other locations. This brings the people of the smaller places in closer touch with the activities of the federal government, and I think it gives them a certain esprit de corps.

I happen to know that there is to be a building of that type built in a little village near where I live, in Nakusp. It is the first public building of its kind in that village, and it is very much appreciated. It will be a beautiful building and is situated in a pretty village. The erection of these small buildings in these smaller places, which serve the needs of the people in the smaller places which I think have been somewhat overlooked in the past, is excellent. I think it is an excellent program and is well planned ahead. I like the minister's idea of obtaining the sites upon which buildings can be erected at a time when that will be of the greatest advantage in aiding local unemployment.

I was interested also, in the minister's statement with respect to the co-operation of the research council, and the very sensible use of models to study all the considerations connected with large projects, particularly when the effect of water has to be considered. I think that is a very worth-while step indeed. I was interested in his statement with respect to the maintenance and repair of public buildings in the winter months, as I said before to the best advantage in meeting any local unemployment situation.

The C.C.F. believes that sound planning is required to secure the best value from the expenditure of public funds. It is obvious that the senior officials of this department have brought a great deal of order out of the former chaos as a result of planning since 1952. For instance, if you read the departmental report for 1952 you will find that it provides for reports from the deputy minister, the chief architect, the chief engineer, the treasury officer and the chief of legal services. I am not criticizing the organization of years ago which, before expenditures were so large, possibly was adequate.

We are very glad now, however, to note that under the supervision of the former minister and the present minister, and under the guiding hand of the deputy minister and his senior officials, the reorganization of the Department of Public Works has produced results. I have noticed that in this year's report, instead of reports from the few people I have mentioned in the 1952 report, we now have reports on departmental activities broken down into the harbours and rivers engineering branch, the development engineering branch, building construction branch and property and building management branch. In my opinion it was a very wise move to establish the property and building management branch. Then, we have the purchasing and stores branch, the administrative services and secretary, the economic studies branch, which is a very important thing particularly when expenditures are proposed for wharves or public buildings.

It is then necessary that the department have some idea of the future possibilities with respect to the development of the area in which the money is going to be expended. There have been occasions in the past when considerable sums of money were spent because the department lacked the economic studies branch and the economic activity of the community in which the expenditure was made declined very shortly after the building, wharf or public project was constructed.

Then we have the report of the financial services, information services, legal services, the personnel branch and so on. The reading of this report, and the breakdown into the various departments, gives one a clear indication that the department is well planned, well organized and in a position to undertake the large responsibilities that it has to accept at this time and the increasing responsibilities that will come throughout the years.

I should like to make a few suggestions before concluding, and I am only making a few general remarks on the administration item. We in this group believe that planning should be some years ahead, so far as possible, concerning prospective needs. We believe that the economic studies branch should be supplying the deputy minister and the minister with information that will allow them to get a very clear picture of the likely developments in any area, say, for the coming

10 years. I believe that this is necessary in order to plan properly and to have projects, as it were, on the shelf to be undertaken at any time to meet a local unemployment situation.

I should like to say a word or two about public relations. In my opinion public relations are a very important part of any federal government department's activities. Naturally, the ministers travel around the country and make occasional speeches at certain centres. The more they do of that, the better. But I am suggesting that even the deputy minister and some of the senior officials should have the opportunity of meeting and addressing representative public bodies such as chambers of commerce or, on occasion, ladies' organizations or trade unions, so that more and more people will get some idea of the organization and activities of the public works department of Canada for which they pay.

In addition to that, I think there should be developed as much communication as possible between district officials, local officials and local organizations. I say that even the local organizations in the smallest places should be given an opportunity to be informed of the department's plans, as to whether they are going to demolish a wharf, erect a building or where they are going to do some particular work. From my experience I have found that when the public, particularly in the smaller places, are consulted or matters are discussed—mind you, I know the department is responsible for making the final decisions—you build up a spirit of good will and you get the co-operation of the local people. I have this slight criticism, that I think on some occasions the department, possibly through lack of complete knowledge of changed conditions and circumstances, has decided to do something at the district office level without complete understanding of the local situation. I do urge that the minister's district officers and his local officials do everything possible to get the co-operation of and to consult representative local organizations.

Then I suggest it would be a good idea for the department to issue releases to the local press concerning any particular work. I think this would avoid a lot of rumours and misunderstanding about such things as the site, the date when construction is expected to commence, and so on. That is news to people, especially in the smaller places. Possibly it is not news to people in the larger places because their minds are occupied with all forms of gaiety and other activities, but in the country where people are generally more serious, somewhat more stable, they are interested in local business or local public buildings or a local wharf, and so on. I suggest there could be an extension of the practice of issuing press releases in the area so that people are kept well informed on the activities of the department, what it intends to do and when it intends to do it. In my opinion an informed public with respect to any department of government is a co-operative public. When it comes to administration all departments of government in a democratic society must seek to promote, in my opinion, the understanding and the co-operation of the people they aim to serve.

I have one other suggestion and it is this. Because of the vast areas that district engineers must serve I believe that senior officials, particularly in the district offices, should not be moved too frequently. It takes two or three years for a district engineer, for example, who serves the British Columbia and Yukon district to get to know the district he serves. He cannot be travelling all the time. He has a great deal of administrative responsibility. I suggest that senior officials should not be moved too frequently, that is at the district office level. I also hope that the minister's department is undertaking plenty of planning and that its economic studies branch is feeding the senior officials with information that will provide them with the opportunity to plan for the department to play its full role and part in meeting any unemployment situation that should occur in the winter ahead.

I have made a few general remarks with regard to general administration. I have some other matters to raise with regard to public buildings, construction and services, harbours and rivers engineering service branch and trans-Canada highway. At that time I shall leave the general and move to the particular. What I have to say will also include a few pleas on behalf of the constituents whom I have the honour to represent.

Mr. McGee: Before I commence my remarks I should like to assure the hon. member for Levis, who seemed to have misunderstood the reaction on this side of the chamber at the beginning of his remarks, that if there was any apparent disappointment expressed on this side, it was perhaps that we heard the rumour that in order to allow the Minister of Public Works to carry on with his new duties the estimates would be passed almost immediately this evening.

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

Mr. McGee: Yes.

Mr. Bourget: Will he tell me what the hon. members meant when they said "Oh, oh" at the beginning of my speech?

Mr. McGee: That is precisely what I was going to explain. If I had been in a mood to echo that particular remark, it had as its intention an indication of disappointment perhaps that there would not be an expression from the house leader, that these estimates would now be passed in order to allow the new minister to go on to his new duties. My own reaction was disappointment. I have always looked forward to hearing the remarks of the hon. member for Levis. As remarkable as are the simultaneous translators here tonight, something is always lost in the translation.

If ever a man's head might be turned in my brief experience in this house, it certainly would be the head of the Minister of Public Works and now Secretary of State for External Affairs by the glowing tributes paid to him by the two opposition parties today on two separate counts. Those of us on the government back benches by our applause expressed our opinion concerning the events that took place at the beginning of the proceedings today. I think it would be remiss indeed if some expression of our opinion were not given concerning the former Minister of Public Works, although I am not just quite sure whether I am correct in that designation. He has left his imprint—and I am sure it will be a lasting one—on the job he is leaving. I would agree with the hon. member for Kootenay West in putting at the head of a list his courageous and tenacious attitude concerning the matter of patronage. This is something that has certainly required tenacity, stick-to-it-iveness and other similar qualities.

We have heard of the tremendous team spirit developed in the department. While most of us backbenchers have not been too familiar with the workings of that department, we can certainly understand how that team spirit should develop under the leadership of the minister. The extension of the tender system is part of the reflection of his attitude and his philosophy in connection with patronage which are well known. The imprint of which I spoke a few moments ago can be seen in the extension and expansion of public works and the co-operation of the department. But mostly, Mr. Chairman, I would think it would be the greatest source of satisfaction when leaving this portfolio to realize the tremendous number of young persons, young family people in this country who own their own homes, a situation attributable in no small number to the efforts of the Minister of Public Works.

This applies through the field of housing and one in particular in which I am interested and which I know a great many members share this view, namely that of limited dividend housing. Thousands and thousands of extra units are now available on a low rental basis to people who desperately need that accommodation. This will not be quickly forgotten by those people or those of us in whose ridings these developments have taken place. As I say, it must be a great source of satisfaction to the minister to leave that kind of an imprint on his department as he leaves.

But mostly, Mr. Chairman, and again I speak for the younger members in the house —I speak of the example that he has set for us in the performance of his duties in this house and in our caucus, his reform instincts, his integrity and his availability—and that has been mentioned by both opposition parties—not only to those on the government benches but to each and every member of the House of Commons. I have no wish to prolong the discussion on the estimates. I simply felt that this expression should be made not only on behalf of the G.F.A.—which, I may say, for the benefit of the group in the corner is a group of nine members in this area. We in this group should like to congratulate the minister and wish him the very best in the future.

Mr. Carter: Mr. Chairman, I should like to join with all those who have congratulated the minister on his new portfolio and to wish him well in his new sphere of activities. I am sure most of us today heard the Prime Minister's announcement with mixed feelings. While we rejoice with the minister at this broader scope for his undoubted talents and ability, nevertheless I think most of us felt a little bit sad—perhaps it was a selfish sadness —on losing from the portfolio of minister of public works a man who has won our utmost admiration, not only for his integrity but for the outstanding non-partisan manner and approach which he has always displayed in dealing with all our problems.

Personally, I want to thank him most sincerely for the sympathetic and kind consideration which he has always given to the problems which I have brought before him. In that I should like to include a tribute to his staff, not only here in the head office at Ottawa but also those who serve in the district office in Newfoundland. The minister is fortunate in having a most competent staff who are always anxious to do everything possible to help out with the problems of our province, and the only remark I should like to make about them is that I think they are perhaps the most overworked staff in the whole civil service of Canada, and possibly the most underpaid as well.

It is nice, of course, to have a minister who is kind and sympathetic to our problems, but we know that with all the goodwill in the world he must still get his expenditures authorized by the treasury board. The minister does not have the last say as to what expenditures will be made. Last year the Minister of Finance who presides over the treasury board allayed our fears when he stated, as reported on page 3569 of *Hansard* for January 21, 1958:

> Let me make it abundantly clear to every member of the house—I made this clear in the financial statement I made in the House on December 6—that the instructions that have been given by the government are to the effect that while we are seeking to reduce expenditure where expenditure is needless we have said that there shall be no reduction in expenditure where it means jobs, and we are seeking to increase construction in useful public works down the line. While next year we would unquestionably like to have a balanced budget, let me make it abundantly clear that we are not going to put a balanced budget above our firm determination to provide, through the agency of public works, jobs for unemployed Canadians.

Since then the Minister of Finance seems to have undergone a change of heart, because on April 21 he made another statement in this house which was quite different from the one which I have just quoted. This is what the Minister of Finance said on that occasion, as reported on page 2889 of *Hansard*:

> The treasury board this year has been tighter and closer in its scrutiny of estimates than ever before. A lot of these things are not talked about in detail everywhere, but let there be no doubt about it; the treasury board today is doing an effective piece of work.

Then the minister ended the paragraph with these words:

> There is a tightening of the rein on expenditures.

As long as the present Minister of Public Works held his portfolio these words did not chill our hearts quite as much, because we had confidence that the benign influence which we know the minister exercises over his colleagues would have an effect in softening the hard hearts of the Minister of Finance and his colleagues on the treasury board. But now that the minister is leaving this portfolio I think our fears have been renewed that his successor might not have that benign influence and that we may perhaps not receive as sympathetic consideration as we have in the past. We hope the Prime Minister will take these qualities into account when he appoints the new minister of public works.

The tightening up which the Minister of Finance referred to on April 21 is shown in the main estimates for this year. On page 67 we notice that there is an over-all decrease in expenditures of $14,900,293. Even when we subtract from that the $4 million in the supplementary estimates, we still have an over-all decrease of over $10 million. But the tightening up of expenditures is most marked when we consider the items of public buildings, construction and services and the items under the heading of harbours and rivers engineering services. There is a decrease in expenditure of over $19 million for public buildings and a further $5 million nearly under the heading harbours and rivers, making a total decrease of around $24 million. Even when we deduct the $3 million plus under these two headings in the supplementary estimates, we still have a decrease in expenditure of over $20 million.

I think it is unfortunate that these decreases have occurred under these particular headings, because they happen to be the very headings which provide jobs. We already have on our hands a substantial amount of unemployment, and I think it is reasonable to expect that the unemployment problem will be with us again next year, and a reduction under these headings is certainly going to aggravate that problem instead of alleviate it.

In my own province in Newfoundland we feel this very acutely, because under these two headings of harbours and rivers and public buildings, construction and services, there is an over-all reduction of nearly $2.8 million, which in a province that depends on public works for supplementary earnings is quite substantial. I know that part of this reduction has been brought about because many of the large projects in our province have now been taken care of. We also know that it is impossible to counteract this amount of expenditure under the housing program. Therefore, I should like to sound this warning to the Minister of Public Works and to his successor in office, that they keep this in mind when they are preparing the estimates for next year, because very drastic reductions under these two headings are going to cause some degree of hardship in my province.

Mr. Chairman, there are one or two other aspects of the estimates about which I would like to comment. First of all, I would like to commend the minister for the increase in the miscellaneous grants. This grant has been increased by $750,000 and that is particularly welcome in my province because, as I have said, most of the heavy works have now been completed and in the future there is going to be a larger and larger number of small works costing less than $25,000 which by law will have to be financed out of this miscellaneous grant. I thank the minister for this increase and I hope that next year's estimates will show a further increase.

I wish also to thank the minister for the increase shown under the heading "dredging, construction and acquisition of plants and equipment." One of our most urgent needs in Newfoundland is dredging. As we know, private dredging companies are still very busy and it is most difficult to get the kind of plant that we need. The minister may remember that last year I pointed out to him that we have a special need for shallow dredging equipment for the dredging of shallow harbours. We have none of that equipment being operated by the department in Newfoundland at the present time, and I hope that part of this vote will be used to acquire this type of dredging equipment.

Before I sit down, I wish to draw the attention of the minister to one very small problem. When small works are undertaken in small fishing settlements in my province—works such as the building of a wharf or breakwater—the common practice is to acquire the rocks required for the ballast by contract. That is possibly a very business-like way of handling this requirement but it has one serious drawback for my people, because when the fishermen pick up these rocks and sell them under contract they do not receive unemployment stamps. Had they been able to get these stamps last year many of them would have qualified, taking into account the stamps they receive while fishing, for seasonal benefits. I would ask the minister to take this into consideration and perhaps give a direction so that the department may acquire this material by day labour instead of by contract.

Like everyone else here I wish the minister the very best of success in his new undertaking.

Mr. Regier: I do not mean to delay the committee with many remarks I should like to make at this time with regard to the announcement which was made in the early afternoon. I know that the people of Canada will have heard the news with great happiness and satisfaction, and I know that particularly the people in the minister's home area in British Columbia will take a special delight in the announcement. I know that with elections coming hard and heavy for a number of years in Canada, Canada's position throughout the world has not continued recently to grow as we had been led to believe it might, and I know the minister will at an early date do much to enhance Canadian prestige abroad in the interest not only of world peace but of our economic interest as well.

All of us are deeply concerned about who the new minister of public works may be. We hope and trust he will be some one who will have an integrity equal to that possessed by the hon. gentleman who now holds that office.

I should like to make an appeal to the minister with regard to a number of issues, because I believe the hon. gentleman has a number of headaches which have still to be cleared up and I should like to see him make an effort to handle these difficult matters before he leaves his present office. The main question to which I should like the minister to give some attention is the problem facing us with regard to interest rates on loans for homes which are now being built and which will be built during the months and years ahead under the National Housing Act.

The minister realizes very well that interest rates under the National Housing Act are determined in the long run by the rates which the government has to pay on long term government issues of bonds, and as I understand it the yield on long term government issues or bonds at the present time is practically as high as the maximum interest rate allowed under the National Housing Act. The minister indicates that this is not the case. But even a one year issue yesterday returned a yield to the investors of 5.49 per cent. If a one year issue is able to produce a yield of 5.49 per cent, we must remember that it has always hitherto been assumed that long term issues return a higher yield and therefore any money which the government will have to borrow in the months ahead to lend to the Central Mortgage and Housing Corporation will have to be supplied to this crown corporation at a very high rate indeed, and the margin between even 5½ per cent and 6 per cent is a very narrow one. The act allows for a margin up to 2 per cent.

The minister has let us know that the government has no intention of raising the allowable interest under the National Housing Act, and we were happy to hear that announcement. However, the minister announced in no uncertain terms some months ago that the government had no intention whatsoever of allowing the Central Mortgage and Housing Corporation to operate at a loss, and we are unable to reconcile the two statements. If the government intends to maintain the maximum allowable rate of interest at 6 per cent, then we believe the government will have to look things squarely in the face and admit that it may well be necessary in the public interest to agree to subsidize the operations of the Central Mortgage and Housing Corporation. There simply is no other way out of this predicament. I believe the minister would agree that the situation is a difficult one. I know he does not like having to advise any branch of the government that it

will be allowed to operate at a deficit. However, here I believe is a situation where an understanding of that kind will have to be reached, otherwise I am afraid that that organization, belonging to the pepole, will be unable to discharge its responsibilities adequately.

The other headache which must concern the minister and about which I hope some action can be taken is the amount of money which is available for housing or which it appears will be available for the purpose of housing. The returns from many other enterprises are so much higher now that there is a little less interest or, I should say, there is a lot less interest on the part of those who have investment money available to make such money available for housing at the 6 per cent gross level.

I believe that action will have to be taken and it may have to be rather strong action compared with any action that has been taken hitherto. I agree wholeheartedly that maximum interest rates should not be raised. However, it is equally vital that sufficient money for housing be made available and I am wondering whether consideration of amendments to the Bank Act and insurance and allied legislation may not be necessary whereby those with investment capital will be obligated, in certain years to be designated by the minister, to devote a fixed proportion to housing. That may be the only way in which enough money for housing can be found at the 6 per cent interest rate.

I have also assured a number of organizations at home that I would present a plea to the minister on his estimates, and even though he may be leaving the department I feel I must make the plea at this time. It has to do with the many low-cost homes that have been built in the past year. It may not have reached the minister's ears but there are a growing number of complaints that the quality of the buildings is not what it should be. Part of the reason seems to lie in the growing development of prefabricated sections of houses and in the growing tendency on the part of fly-by-night operators building N.H.A. homes not to hire union workers but to make use of moonlight labour and people who will work on week ends. When the taxpayers' money is being invested in housing I hope that their long term interest will be protected by suitable regulations or amendments to the National Housing Act whereby the quality of construction will be of a desirable standard.

The minister has performed wonders within the past 12 to 18 months with respect to the number of housing units that have been built. I believe that even the minister would now agree that perhaps the time has come to devote greater attention to the problem of slum clearance and the supplying of low rental housing. I know that a little headway has been made over the past years. However, for so many long years we did practically nothing in Canada with regard to slum clearance or the building of low rental housing units. I believe we have probably reached the time when a much larger share of the money being invested in housing should be directed toward slum clearance and the supplying of adequate low rental housing for those people who have no hope of ever owning a home of their own.

I think the minister also had something to do with another proposed project with respect to which I have not heard of much progress being made. It has to do with expenditures in connection with harbours and rivers in the lower mainland of British Columbia. For the past several years there has been a move afoot, a wise one I believe, toward the development of an enlarged public authority to deal with matters concerning the Fraser river. For some years the ex-mayor of New Westminster has called for the enlargement of the New Westminster harbour board. I do not think that is exactly what is wanted by the areas concerned or even by some people in New Westminster. I believe the minister has been partly responsible for helping the idea along that there should be what I like to think of as a river authority with representation from the interested organizations and municipalities all the way from Mission to the mouth of the river. I hope that can be expedited a little before the new minister is appointed. Heaven only knows from what area of Canada he may come and how much or how little he may know about the need for an over-all authority on the Fraser river. Before the minister leaves the department I should very much like to see him take a hand in the matter and get together with the Minister of Transport. I know he has all kinds of advisers from the lower mainland on his side of the house and I should like him to try to see whether some progress cannot be made in this regard.

Like those who have spoken before me I too wish the minister well in his new department. Some of those who spoke sounded as if they thought the minister was leaving Canada but I look forward to seeing him in Canada almost as much as he has been hitherto.

Mr. Smith (Lincoln): Mr. Chairman, my remarks at this time will, as usual, be brief, but I should like to draw to the attention of the minister one or two projects that I think the Department of Public Works should take

into consideration in the very near future. The hon. member for York-Scarborough has expressed the opinion of this group with respect to the appointment of the minister to the Department of External Affairs. However, I must say that while I regret to see him leaving the Department of Public Works nevertheless I extend to him my most sincere and best wishes. I know he will do a good job in his new department and I think that the twinkle in his eye will be one of his greatest assets as Secretary of State for External Affairs.

One project that I feel the department should consider in the near future is the provision of a building for Canada's national war museum. I find it is one of the places most favoured by visitors to Ottawa and the present building is very inadequate from the point of view of providing suitable accommodation for the exhibits. I believe that consideration should be given to providing a new building. I understand there are quite a number of other exhibits that could be put on display and this would be quite an asset from the point of view of the visitors who come to the museum. As I have already said, it is a most interesting place, especially to young people. This is one project that I think should be considered.

The second involves a group rather than one project. In Ottawa today we still have a large number of the old wartime buildings constructed during the war. While I realize that the department is eliminating them as quickly as possible, nevertheless some of them are getting into a very poor state of repair and they do not do justice to the civil servants who have to perform their duties in some of these buildings.

I feel that is something we should consider very seriously at the present time. While Canada is importing such a quantity of manufactured goods from other countries and taking away jobs from people who are in industry, I think we should do everything in our power to speed up our national works projects.

I believe it was last year that the steps over on the east side of the building were replaced which meant a great improvement. I feel that consideration should soon be given to providing new steps in front of the building. In my opinion the present ones are barely in keeping with the dignity of the House of Commons of the dominion of Canada. I am not saying they are dangerous but they are not as good as they should be and I understand they have been there for a long time.

I recall that when the minister spoke on his estimates some days ago he mentioned that his department was much concerned about the building of small post offices throughout the country. I could easily ask for several in the various villages and towns in my riding but I am not going to be so vain as that. Nothing creates more pride on the part of people in a small town or village than a public building on which they can display a flag several times a year. These buildings are wanted by the people and are respected by them. They are a source of pride and satisfaction to the people in the community. I hope the minister will take all these things into consideration and build as many public buildings as possible.

A great deal has been said about what has been done in the building of homes under the National Housing Act and I shall not repeat what has been said. There is no question but that during the months in which employment has not been too good in Canada the building of houses has been of considerable assistance in providing jobs for the working force. While it may be true that the saturation point is being reached in some areas there are many places that require additional homes and I trust there will be no slow-down in providing money for the construction of these homes under the act.

This concludes my remarks at this time. I am particularly interested in the construction of the national war museum building and I trust the project will be undertaken as expeditiously as possible.

(Translation):

Mr. Caron: Mr. Chairman, on this happy day for the Minister of Public Works (Mr. Green), may I join with those who have spoken before me to wish him much success in the diplomatic career he is undertaking. That appointment did not surprise me. There had been so much speculation on the matter. In fact, some were saying that this one or that one would be chosen, but I was convinced, and I do not want to belittle the other ministers, that the superior intelligence of the present minister, his remarkable energy, his devotion to work, the smile that he has kept since he became a member of the cabinet, and his consumate skill to have his estimates passed without too much difficulty, were already the indication of a first class diplomat. I am happy to join with my colleagues to congratulate him and to wish him great success in his new career.

Mr. Chairman, I rise not to test the diplomatic skill of the new Secretary of State for External Affairs, but merely to submit for his consideration a few projects which are very important for our area. I tell him right now that I shall be very brief.

A problem which has been with us for many years and still is, is the matter of the national capital. Every Canadian would like to regard the national capital as a model. It was Sir Wilfrid Laurier who, many years ago, said that everyone hopes to see Canada's capital develop into a Washington of the north.

Well, Mr. Chairman, the national capital plan will be quite incomplete unless adequate bridges are built to connect both sides of the Ottawa river. That is a matter of particular concern to the Minister of Public Works, since it comes under his department's responsibility.

New bridges across the Ottawa river are absolutely necessary if we want the numerous tourists visiting the national capital to take advantage of their stay among us to see the enchanting sites of the Gatineau, in those marvelous mountains that the national capital commission has adorned with beautiful roads and magnificent parks. We must at least give them the means to cross over.

At the present time, it is almost impossible to cross from one side to the other, at certain hours of the day. Furthermore, there are on the Quebec side more than 6,000 federal civil servants who must cross over three or four times a day, at least, to get to and back from work. In view of this, it takes them an hour or an hour and a quarter to cross over, while it should take them only fifteen minutes.

Such a situation cannot last indefinitely. Moreover, several residents of the city of Ottawa are employed on the Hull side and also have to cross the river to go to their work. It is almost inhuman to ask those people to get up at 6 o'clock in the morning in order to be in time for work at 8 o'clock on the other side of the river. Such is the situation! As a matter of fact, the present bridge is a disgrace for a national capital we are intent to beautify.

To my mind, the Minister of Public Works could instigate some movement to improve that state of affairs. I do not go as far as to say that the responsibility rests upon the federal government alone. This is an interprovincial bridge—

(Text):

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I take it that tomorrow we will continue with these estimates and if they are completed we will take the estimates of the Department of Fisheries as announced last night?

Mr. Green: Yes, Mr. Speaker, that is the intention. On Monday there will be a supply motion. On Tuesday we shall commence with item No. 7 on today's order paper, second reading of the act to amend the Bretton Woods Agreements Act; then item 15, which provides for additional judges in certain of the provinces. This is quite an urgent matter and consideration might be given to letting it go through all stages on Tuesday unless the opposition parties have some objection.

Mr. Chevrier: If it were the minister, I am sure there would be no objection. It being otherwise, I have some doubt.

Mr. Green: I am overwhelmed. We then propose taking item No. 12, the resolution preceding a bill to amend the Royal Canadian Mounted Police Act; item No. 5, second reading of an act respecting the Royal Canadian Mounted Police; item No. 11, the resolution concerning the Defence Services Pension Act.

The plan for estimates next week is to take those of the Department of Transport. I am not sure whether we would commence estimates on Wednesday or Thursday, but in either event we would take transport first.

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

ANSWERS TO QUESTIONS

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

ST. LAWRENCE SEAWAY AUTHORITY—EXPENDITURES AND INDEBTEDNESS TO MARCH 31, 1959

Question No. 410—**Mr. Argue:**

1. What is the total amount of money the St. Lawrence seaway authority has paid on accounts from the beginning of construction work until March 31, 1959?

2. What is the outstanding indebtedness of the St. Lawrence seaway authority as of March 31, 1959?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. $255,727,144.62.
2. $293,495,747.50.

ST. LAWRENCE SEAWAY—CONTRACTS WITH LA SALLE ENGINEERING, MONTREAL

Question No. 438—**Mr. Argue:**

1. Has the St. Lawrence seaway authority entered into any contracts with the La Salle Engineering Company of Montreal since January 1, 1955?

2. If so, what was the date of each contract, the location and nature of each, and value?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

Questions

1. Yes.

2. (a) July 17, 1956; St. Lambert, Cote Ste. Catherine, upper and lower Beauharnois and Iroquois locks; supply of anchor bolts for lock machinery; $38,103.25.

(b) July 18, 1956; St. Lambert, Cote Ste. Catherine, upper and lower Beauharnois locks; supply of anchor bolts for taintor valves in filling culverts; $2,116.40.

(c) October 1, 1956; Cote Ste. Catherine, Beauharnois and Iroquois locks; supply of anchor bolts for wire rope fenders; $2,073.06.

(d) April 12, 1957; upper and lower Beauharnois locks; repairs to 50 anchor bolts; $250.

(e) September 5, 1957; upper and lower Beauharnois locks; supply of nuts and washers for anchor bolts; $9.63.

(f) September 9, 1957; St. Lambert lock; supply of anchor bolts with nuts; $85.

(g) March 24, 1958; St. Lambert lock; supply of nuts for anchor bolts; $69.70.

(h) August 5, 1958; soils laboratory, Cote Ste. Catherine division; supply of two tampers for piezometer installation; $31.90.

(i) August 12, 1958; soils laboratory, Cote Ste. Catherine division; supply of two tampers for piezometer installation; $31.90.

(j) August 18, 1958; upper and lower Beauharnois locks; supply of nuts for anchor bolts; $772.81.

(k) August 26, 1958; upper and lower Beauharnois locks; supply of sleeve nut reducers for anchor bolts; $169.16.

HOUSE OF COMMONS

Friday, June 5, 1959

The house met at 11 a.m.

BUSINESS OF THE HOUSE

STATEMENT RESPECTING PROCEEDINGS ON MONDAY, JUNE 8

Mr. Speaker: I understand that an arrangement has been made about Monday's proceedings. I would appreciate it if the house would give unanimous consent to an order to give effect to this arrangement which, as I understand it, is as follows: Supply motion; debate to be limited to one day; amendments to be disposed of at 8.15 p.m. on Monday and the main motion to be disposed of at 10 p.m. Is that arrangement acceptable?

Some hon. Members: Agreed.

AIRPORTS

MALTON—JUDGMENT OF EXCHEQUER COURT ON PROPERTY VALUATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to direct to the Prime Minister a question based on reports of a judgment rendered yesterday by the exchequer court with regard to property valuation at Malton airport. Is it the intention of the Prime Minister to make a statement concerning the matter covered by this judgment in which the Minister of Transport (Mr. Hees) and the hon. member for Peel (Mr. Pallett) are mentioned?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I read the article in question and the reference to the judgment. It is my purpose to examine the judgment and the surrounding circumstances. However, I think I should say at this time that in so far as any reference to any hon. member in this house is concerned, and in particular to the hon. member for Peel, the integrity and honesty of purpose of that hon. member leaves no question in my mind.

Mr. Pearson: Mr. Speaker, may I ask a supplementary question. In view of statements made in the judgment—and I am not quarrelling in any way with what the Prime Minister has said—has the Prime Minister considered referring this matter to the appropriate standing committee of the house so that it may be given the fullest and most impartial examination?

Mr. Diefenbaker: Mr. Speaker, I am not going to answer that question directly at the moment, because I find it rather difficult to understand the suggestion that there might be any question of partiality up to the present time and that therefore there should be some investigation by a house committee so as to ensure impartiality. I do not understand the meaning of that suggestion. However, as I said a moment ago I shall look into that point and give the matter the attention it requires and deserves.

TRANSPORT

PORT BORDEN-CAPE TORMENTINE—REQUEST FOR IMPROVED FERRY SERVICE

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I would like to ask a question of the Minister of Transport. I should like to ask the minister what steps his department is taking toward providing an additional ferry for service between Borden, Prince Edward Island and Cape Tormentine, New Brunswick.

Hon. George H. Hees (Minister of Transport): I wish to thank the hon. member for Queens for having given me notice of his intention to ask this question.

The Department of Transport has carefully reviewed the need for additional ferry service between Borden and Cape Tormentine. The advisability of purchasing the *Vacationland* for this service was carefully considered, and I wish to advise that in the opinion of the department the ship, as is, would not be suitable. To make the *Vacationland* suitable for the service involved would require changing the form of the ship, adding accommodation, a complete conversion of machinery and fitting the vessel with firefighting and other equipment required for this class of ship in Canada. These necessary alterations it is estimated would cost approximately $2 million, and the ship could not be ready for use until well into 1960.

It is proposed to undertake as early as possible the construction of a new ferry for this service, with a view to placing a ship in service some time in 1961. The ship proposed would be adequate to meet the increasing demand for automobile transportation and would be suitable for service elsewhere should the construction of a causeway to Prince Edward Island result in this vessel not being required between Borden and Tormentine.

Inquiries of the Ministry

Mr. Hazen Argue (Assiniboia): May I ask a supplementary question. I wonder if the minister would say what steps are being taken to provide service in this interim period. Second, can he say when the report on the causeway is likely to be received by the government?

Mr. Hees: Mr. Speaker, I think I have already outlined the steps which have been taken this year to make additional service available. The planking of the *Scotia II* will make it possible to transport about 60 additional cars per trip. I would suggest that the hon. member refer his question regarding the causeway to the Minister of Public Works under whose department this matter comes.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I was not able to fully follow the statement made by the Minister of Transport, but I wonder if the minister could tell the house whether the departmental officials have determined what kind of vessel is going to be built. Will it be of the same nature as the *Abegweit*?

Mr. Hees: We are working on that matter with a great deal of care at the present time, Mr. Speaker.

Mr. Argue: Then if I might refer my supplementary question to the Minister of Public Works, I wonder if he could say when the report regarding the feasibility of the causeway is likely to be received.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, some weeks ago when presenting the estimates of the Department of Public Works I explained that a report from the consultants had been received a week or so earlier and that it was being considered by the department. In addition, these reports have to be considered by several other departments, including the Department of Transport. Therefore the Minister of Transport may be able to answer this question in due course.

Mr. Argue: Do I take it from the minister's reply to the question that the report was favourable and recommended this construction?

Mr. Green: Now the hon. member is fishing, Mr. Speaker.

GRAIN

WHEAT—FINAL PAYMENT ON 1957-58 POOL

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort): I should like to direct a question to the Minister of Trade and Commerce. Is the minister now in a position to inform the house what the final payment will be on the 1957-58 wheat pool, which was closed out lately?

Hon. Gordon Churchill (Minister of Trade and Commerce): Yes, Mr. Speaker, the final accounting of the 1957-58 wheat pool which was closed out on May 15 has been completed. An interim payment was made in March in respect of this pool amounting to over $38 million. The basis of the interim payment was 10 cents per bushel on all grades of wheat excepting high quality milling grades of Durum wheat upon which the interim payment was 15 cents per bushel.

The final payment will amount to over $33 million—$33,874,398.61, to be exact—after providing for payment costs and the Prairie Farm Assistance Act levy. The average final payment will, therefore, amount to just under 9 cents a bushel—8.98856 cents per bushel in exact figures. Total prices realized by producers for the principal grades of wheat delivered to the 1957-58 pool are higher than the total prices received for the preceding crop year. The Canadian wheat board has advised me that it is in a position to commence issuing final payment cheques to producers immediately.

Mr. Hazen Argue (Assiniboia): Since the final payment is somewhat less than the estimate made by the farm organizations in asking for deficiency payments, will the government now give serious consideration to their request?

Mr. Churchill: I would point out that the final payment is higher this year than it was last year. It is higher by 4 cents on No. 1 northern, by 4 cents on No. 2 northern, by 2 cents on No. 3 northern and by 2 cents on No. 4 northern, increases which show that this year was a much better one than last year.

Mr. Argue: I wonder if I may repeat my question. My question was this. Since the farm organizations had estimated that the final payment for all grades would be 4 cents higher than last year, and since that has not transpired, is the government giving consideration to deficiency payments?

Mr. Churchill: This question keeps arising in the mind of the hon. gentleman from Assiniboia. Representations have been made to us with regard to deficiency payments. Only recently a delegation representing the farm organizations was in Ottawa presenting their suggestions, and the answer given was that their proposals are being given consideration. And their proposals had to do with the question of deficiency payments.

INQUIRY AS TO LEGISLATION TO PROVIDE ADDITIONAL PAYMENTS TO PRODUCERS

On the orders of the day:

Hon. L. B. Pearson (Leader of Opposition): Mr. Speaker, I should like to ask the Prime Minister whether any legislation of any kind is to be introduced this session providing for additional payments to grain growers.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it is interesting to have that question asked by the hon. gentleman. Over the years when he sat on this side of the house that very question was asked from time to time and invariably the answer was that consideration was being given to this question. While I do appreciate the interest he has in this regard I do not intend to add anything to the remarks made by the Minister of Trade and Commerce.

Mr. Hazen Argue (Assiniboia): A supplementary question, Mr. Speaker. I wonder if the Prime Minister could say whether the consideration being given to this question by this government is likely to result in action any more than did the consideration given to it by the previous government.

Mr. Diefenbaker: I would suggest that the two sides get together.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I might direct a further supplementary question to the Prime Minister. In the light of the statement he made the other day that the government had no further legislation in contemplation except that of which indication had been given to the house, do we take it that there is no further legislation in contemplation?

Mr. Diefenbaker: Mr. Speaker, I am glad the hon. gentleman remembered what I said the other day. However, I stated something which he apparently has forgotten; that if any matter arose that required action then I would ask the house to give consideration to further legislation made necessary by reason of arising exigencies.

Mr. Pickersgill: Still a further supplementary question, Mr. Speaker. Did the Prime Minister not say "any matter now unforeseen that required action"?

Mr. Martin (Essex East): The government does not intend to do anything; that is clear.

Mr. Pearson: Mr. Speaker, I take it from the Prime Minister's little sermon that any legislation of this kind is not foreseen?

Mr. Diefenbaker: Mr. Speaker, I shall allow these hon. gentlemen to indulge in any conjecture it pleases them to follow.

Mr. Pearson: Thank you very much.

HEALTH INSURANCE

PRINCE EDWARD ISLAND—INQUIRY AS TO INTENTION TO PARTICIPATE

On the orders of the day:

Mr. O. H. Phillips (Prince): I should like to direct a question to the Minister of National Health and Welfare. In view of the fact that the premier of Prince Edward Island is reported in the Charlottetown *Guardian* as declaring that the Prince Edward Island hospital insurance plan now meets the requirements for participation in the national plan, can the minister advise if an agreement has been entered into with Prince Edward Island?

Hon. J. W. Monteith (Minister of National Health and Welfare): The answer to the hon. member's question is no. No agreement has been signed with the province of Prince Edward Island. There has, however, been correspondence; a series of letters has been exchanged between the premier of that province and myself on the subject.

Mr. Phillips: Would the minister consider tabling the correspondence between his department and Premier Matheson?

Mr. Monteith (Perth): I would be very pleased to get in touch with the premier of the province and ask his permission to do so.

QUEBEC—INQUIRY AS TO INTENTION TO PARTICIPATE

Hon. Lionel Chevrier (Laurier): Has any progress been made with the province of Quebec in reference to this matter?

Mr. Monteith (Perth): I think since the last time I answered a similar question the situation has not changed. There have been indications that they are interested in the program.

Hon. Paul Martin (Essex East): May I ask the Minister of National Health and Welfare if he would show the same interest toward the province of Quebec as he is showing now, quite properly, toward the premier of Prince Edward Island? If the hon. gentleman took some initiative it would help.

INDIAN AFFAIRS

CHIPPEWA RESERVE, SARNIA—SALE OF LAND

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Is

the hon. lady now in a position to table the contract with Dimensional Investments Limited respecting the Chippewa Indian reserve at Sarnia?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I am sorry there was some delay in producing this contract, due to a misunderstanding with reference to the material being prepared in answer to the hon. gentleman's other question. I am sure I shall have this copy ready for tabling some time during the first part of next week.

Mr. Hellyer: A supplementary question, Mr. Speaker. Could the minister tell the house if any approach was made to the department by Ontario hydro with a view to acquiring the lands required from the Chippewa reserve directly from the department?

Mrs. Fairclough: Mr. Speaker, that is a pretty broad question and I would have to make inquiries. I answered a similar question yesterday, the answer to which was correct; but if the hon. member is asking for information over a certain period of time I would have to make inquiries.

PARLIAMENT HILL

INQUIRY AS TO WITHDRAWAL OF STAFF PARKING FACILITIES

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Could the minister explain to the house why employees' parking facilities on the hill have been discontinued?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, there has been some change within the last few days with regards to parking on the hill having in mind the desirability of enabling tourists from all parts of Canada, and the United States as well, in some numbers at least, to park on the hill.

Hon. L. B. Pearson (Leader of the Opposition): A supplementary question, Mr. Speaker. Was this change made by the cabinet without reference to any other authority?

Mr. Green: I think a change of this kind is the responsibility of the cabinet.

Mr. Pearson: What about Mr. Speaker?

Mr. McIlraith: What about parliament?

[Mr. Hellyer.]

NATIONAL DEFENCE

BOMARC MISSILE—REPORTED DELAY IN INSTALLATION

On the orders of the day.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence based on an article which appears in this morning's *Globe and Mail* written by Philip Deane. Could the minister explain to the house the reason why the Bomarc "B" will not be available for installation at Canadian bases until 1963 rather than 1961, as the minister informed us earlier this session?

Hon. G. R. Pearkes (Minister of National Defence): That seems to be a statement made by Mr. Philip Deane. I suggest that the question be directed to him.

Mr. Hellyer: A supplementary question. Can the minister assure the house that the Bomarc "B" will be available and installed on Canadian bases in 1961?

Mr. Pearkes: The present plans are that the Bomarc "B" will be available at the end of 1961.

Mr. Martin (Essex East): Tell the Americans that.

CIVIL DEFENCE

REPORTED ANNOUNCEMENT OF PLANS BY DEPARTMENTAL OFFICIAL

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of National Health and Welfare whether he is in a position to give the house the plans with regard to civil defence which were announced by an official of his department yesterday, plans which are to become effective on September 1.

Hon. J. W. Monteith (Minister of National Health and Welfare): I am not aware of any such plans having been announced by any official of my department.

Mr. Martin (Essex East): I will send the minister the clipping.

LABOUR CONDITIONS

SUMMER EMPLOYMENT—REQUEST THAT CANADIAN STUDENTS HAVE PRIORITY

On the orders of the day:

Mr. Jean Paul Racine (Beauce): Mr. Speaker, in the absence of the Minister of Labour, I should like to direct a question to the Prime Minister.

(Translation):

My question has to do with a Canadian Press dispatch, dated June 3, from London, entitled:

Jobs in Canada for 500 British students.

The item states they are coming over in five specially chartered planes.

My question is this: in view of the fact that many Canadian students have to quit college because they cannot find holiday jobs in industry, I wonder whether the right hon. Prime Minister could assure the house that Canadian students will be given priority over the many foreign students who, according to that Canadian Press dispatch from London, are already here or are expected to come here this summer.

(Text):

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will take the question as notice, look into the dispatch in question, and be in a position to reply on Monday.

EXTERNAL AFFAIRS

RUSSIA—INQUIRY RESPECTING TREATY OBLIGATIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question arising out of the statement he made in the house yesterday that Canada has no treaty obligations with the Soviet union with respect to shipping and commercial arrangements. Now that the minister has had a chance to examine the treaty in question, does he still feel we have no treaty obligations with the Soviet union covering this matter?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the answer to the question of the Leader of the Opposition is that the treaty has lapsed, as he must know, and that in its terms there was no specific provision dealing with the question of shipping. Furthermore, it did contain a security clause which would have enabled Canada to deny passage.

Mr. Pearson: Mr. Speaker, a supplementary question. Does the minister not recall that the Minister of Trade and Commerce said that while the treaty had lapsed, its provisions were still in effect pending a renewal of the treaty?

Mr. Green: Mr. Speaker, this is really immaterial in dealing with the present situation. The answer I gave yesterday sets out the facts accurately.

Mr. Pearson: Mr. Speaker, a further supplementary question. Does the minister then feel that the present treaty which the Minister of Trade and Commerce has said is still in effect would justify discrimination against Soviet shipping in the Canadian seaway?

Mr. Green: Now I am afraid the hon. member is not being a peacemaker in his suggestion at this time. As I understand it, the other day the Minister of Trade and Commerce outlined that negotiations were under way and it was hoped that agreement would be reached, and I believe this is still the position.

Mr. Pearson: Mr. Speaker, I think this is an important matter. I ask the minister to state whether in his opinion this treaty is still in effect pending negotiation for its renewal?

Mr. Green: I have already outlined the position to the Leader of the Opposition, and I think there is no need to go any further.

Mr. Pearson: Mr. Speaker, may I ask the Minister of Trade and Commerce whether he still feels that the treaty is in effect pending its renewal.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the arrangements are simply these. Pending the outcome of negotiations, Russia is still receiving most favoured nation treatment as far as Canada is concerned. When negotiations are complete another agreement between the two countries will likely be signed. So far as the present arrangements are concerned, there is no substantial change.

Mr. Pearson: May I ask the minister, then, whether this most favoured nation treatment, which he says is still in effect pending negotiations for renewal of the treaty, applies to shipping as well as to other matters?

Mr. Churchill: Under the treaty that was signed some years ago most favoured nation treatment was given to Russia. Then there was a further supplementary agreement with reference to the purchase by Russia of a substantial quantity of wheat. This treaty lapsed some time ago and negotiations are now under way. We have not made any change in the arrangements with Russia, and will not until we have concluded the negotiations that are under consideration.

Mr. Pearson: So the most favoured nation treatment is still in effect.

INQUIRY FOR RETURN

FEDERAL GRANTS TO NEWFOUNDLAND AND OTHER PROVINCES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): In view of the statement made by the Minister of Finance last evening that he

had tabled a part of a return to a question made an order for return—

Mr. Fleming (Eglinton): I did not say tabled.

Mr. Pickersgill: That he had sent it to the Secretary of State's department; I beg the hon. gentleman's pardon—would the minister, if the other returns are not in, consider tabling a partial return, as there are many hon. members who would like to have the information?

Hon. Henri Courtemanche (Secretary of State): I shall have to verify that and let the hon. member know next Monday.

TRADE

STATEMENT ON FRENCH EDITION OF "TRADE AND COMMERCE"

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Yesterday the hon. member for Hull asked me a question concerning the two publications of the Department of Trade and Commerce, *Foreign Trade,* of which 24 copies per year are published, and the French version, *Commerce Extérieur,* of which 12 copies per year are published. He wanted to know why the subscription price is the same for both publications.

The number of copies of *Foreign Trade* printed each month is 4,349. The number of copies of *Commerce Extérieur* is only 534. This makes the cost per copy of printing *Commerce Extérieur* very high, about $1.55, compared with only 25 cents per copy for printing *Foreign Trade.* In spite of this the subscription price for *Commerce Extérieur* is kept at $2 per annum, and this is no change from the decision made in 1954 under the former administration.

Mr. Alexis Caron (Hull): May I ask a supplementary question. Does the minister not think, after the promises made that they would right every wrong, that this excuse he has given shows a weakness on this point?

Mr. Speaker: The hon. member is now getting into a debating mood rather than an inquiring mood.

BUSINESS OF THE HOUSE

STATEMENT ON REQUEST FOR TABLING OF ORDERS IN COUNCIL UNDER EXPORTS CREDITS LEGISLATION

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Yesterday the hon. member for Ottawa West inquired about the tabling of certain orders in council as provided for under section 21 of the Export Credits Insurance Act. I would not like the impression to be left that there has been any failure to table reports that are required. In order to make the situation clear I should like to refer to section 21, clause 5 of the act, which reads as follows:

> All orders in council made under this section while parliament is in session shall be laid before parliament during such session and, if made while parliament is not in session, shall be laid before parliament at the next ensuing session.

The practice over the years has been to collect the various orders in council passed under section 21 of the act during the year and table them at one time toward the end of the session. However, I have arranged to have the orders in council issued under section 21 tabled in the house early next week rather than at the end of the session, so that when the bill concerning this act comes before the house members will have full information concerning the business that has been transacted during the course of the year.

RESEARCH

REPORTED EXCHANGE OF RUSSIAN AND CANADIAN GROUPS

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): I should like to direct a question to the minister of northern affairs arising out of an article in yesterday's Ottawa *Journal* concerning an exchange of officials between Canada and Russia to study the Arctic. I wonder if the minister could tell us how far he has gone with this plan.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, there is nothing particularly new about this. I think about a year ago there was a discussion of an exchange of visitors between the Soviet union and Canada, and it was proposed that there should be a visit to the Arctic regions of Russia. That is as far as it has gone. The proposal has been put forward, and that is all I can say at this time.

Mr. Hardie: Has any invitation been extended to Russian officials to visit Canada?

Mr. Hamilton (Qu'Appelle): There is a general exchange of visits between the two countries, and in connection with that general exchange each country puts forward various proposals that it would like to have accepted by the other country. These proposals have gone forward, but we have not heard anything since.

SUPPLY

The house in committee of supply, Mr. Rea in the chair.

DEPARTMENT OF PUBLIC WORKS

318. General administration, $9,335,045.

(Translation):

Mr. Caron: Mr. Chairman, last night, yesterday evening, at ten, when I had to suspend

my remarks, I was referring to the need for a new interprovincial bridge, in view of the fact that the national capital attracts very many visitors, also because of the considerable number of civil servants who work either in Hull or in Ottawa, and on account of the magnificent sites which exist in the neighbourhood. As a matter of fact, of late, the chambers of commerce on both sides of the river have given continued attention to this problem. At a sort of forum, sponsored by the French chamber of commerce of Ottawa, we have discussed that matter rather fully, replying to all questions that were put to us. As a result, the members came to the conclusion that someone should take the initiative, otherwise nothing concrete would be achieved. Besides, I remember that, in this regard, as early as 1955, Mr. Winters, predecessor of the present hon. minister, had earnestly attempted to get the provincial governments to participate in the construction of that bridge. We know that the Ontario government did not make any formal pledge at that time, but in any case I note that, on October 29, 1955, Mr. Frost said:

(Text):

In connection with the proposed Ottawa-Hulll bridge, it is of course understood that this is merely for a preliminary meeting which in no way will commit any of the governments to this project.

Will you please contact Mr. Allan, to whom I am sending a copy of this letter?

(Translation):

This was an indication that the Ontario government was at least ready to give serious consideration to the matter. Moreover, as a result of that letter, Mr. Allan made the following reply dated November 29, 1955:

(Text):

I have noted your invitation to appoint an engineer to serve on a committee in connection with the proposed bridge, and am pleased to recommend Mr. J. B. Wilkes, district engineer in Ottawa, as a member of the proposed committee.

(Translation):

This shows that, as early as 1955, the Ontario government had intended to give the matter serious consideration. On the other hand, I note that even in 1957, the Quebec government ignored the matter entirely. In fact, I have here a copy of a letter written by Mr. Winters to the premier of the province of Quebec, in which he made the following statement:

I informed you on November 10, 1956 of our intent to set up a committee to go into the matter of rebuilding the approaches to the existing bridges between Ottawa and Hull, the possible location of a new bridge, and a preliminary assessment of the costs involved. I invited you to send a representative to this committee.

The committee has prepared a report, and I enclose for your information a copy of the proceedings of its last meeting, held December 14, 1956, together with a copy of the report from the consulting engineer recommending construction of a new bridge.

I shall welcome any comment you may wish to submit concerning this proposal.

That letter went unanswered. Now apparently the only objection which remains at this time is the opposition of the Quebec premier who, in answer to a question, in the provincial legislature, said: "If Ottawa want bridges, let them build themselves some."

The matter, it seems to me, should be outside of politics. The situation is such that we cannot put up with it much longer. That is why I ask the minister if he could not intimate to his successor—as the session is soon to be prorogued so that he will probably be replaced in this post—that the Minister of Public Works in Ottawa should be the very man to go ahead and continue the work already begun by his predecessor, Mr. Winters, so as to convince the provincial authorities both of Ontario and Quebec of the fact that in the national capital the position is becoming more intolerable every day.

I know that, if the minister were to consider this request, talks might be resumed and, with some good will on the part of provincial governments—in as much as the minister has already stated with regard to this matter that the federal government is still prepared to pay its share—and, as I said, with some good will and good grace on the part of provincial governments, we could in two or three years see at least the beginning of a solution to that problem, which is the dearest wish of the people of both cities.

Now, Mr. Chairman, would you allow me to take up another point. There are in the Ottawa area many government buildings, most of which, except perhaps the national printing bureau, are on the Ontario side of the river. Some of those buildings are quite a distance from parliament. In fact, some of them are as far as Manotick, several miles from downtown Ottawa.

In the Quebec part of the national capital area there are very few federal buildings. Yet the various governments have expressed the wish that an area of about 35 square miles on the Quebec side be included in the national capital plan.

I wonder why there are not more federal buildings located in the Quebec area, where they would be much closer to the parliament buildings. I am not, of course, referring to structures which are part of the experimental farm; it is only logical and reasonable that these should be out there, I am referring particularly to those buildings which accommodate the various divisions of the Public Works or the Post Office department, and have been erected still farther from the centre block. In the Quebec part of the national capital area there are very few such new buildings.

Mr. Chairman, I know that when in the committee of public accounts, the project of building the National Printing Bureau on the Quebec side was under discussion the first question asked by a member of that committee was: "Why should the National Printing Bureau be located in Hull?" Such attitude shows that some people are narrow-minded to a degree that we, who are broad-minded, are unable to understand. Some people seem to think that no public building can be erected on the Quebec side. Yet the ridings of Gatineau and Hull comprise space that would be most appropriate for new federal constructions. The federal government would thus be enabled to spread its bounties on both sides of the national capital.

Mr. Chairman, I have not brought up this problem for the purpose of criticizing the present Minister of Public Works. I know he has not had the time to consider all those matters in the short time he has been heading the department. I am pointing out the situation not because of anything that happened in the past, but rather to avoid problems that might arise in the future. Let the Quebec part of the national capital receive greater attention, and I am convinced that everyone will be happy.

Mr. Chairman, I had promised to be brief. In closing, I wish to repeat what I was just saying, that the Minister of Public Works, in view of his new appointment, will soon be stepping out of his present job, and will also be relinquishing his duties as house leader. However, before resuming my seat, may I be allowed to make a suggestion to the government? There is in this house a man whose knowledge of the standing orders and procedure of the house is truly remarkable, a man who reasons with perfect logic and who has been presiding over the proceedings of a particular committee with such fairmindedness that he should be the unanimous choice of the cabinet to succeed the hon. Minister of Public Works. I therefore suggest to the government that they consider appointing the hon. member for Danforth (Mr. Small) in that capacity, in view of all his outstanding qualifications.

Mr. English: Mr. Chairman, it is with pleasure that I associate myself with all members of the house in warmly congratulating the Minister of Public Works (Mr. Green) on his appointment to the important function of Secretary of State for External Affairs. That mark of confidence on the part of the Right Hon. Prime Minister (Mr. Diefenbaker) and the compliments showered upon him by members of all political parties represented here, prove that the minister has all the qualities required to fulfil this task.

If we rejoice upon his appointment, it is nonetheless true that we are a bit sorry to see him leave the Department of Public Works, which he has headed since 1957 and which he had administered with devotion, wisdom and in the interest of the whole country.

For my part, I know I have taken much of his time. The requests I have put to him have been many, and if they were more numerous than those of other members, it is because the beautiful constituency of Gaspe, which I have the honour to represent here in the house, is one which has been the most neglected in the past. Mind you, Mr. Chairman, those requests were not made for political reasons, but rather in the interest of a constituency which is rich thanks to its fisheries, its forests and its mines, but hardly developed from an economic standpoint, and that on account of a scarcity of means of communications, both by water and by land.

I have asked for a fishing harbour for Newport, and I may say that my request was considered with close attention by the minister, by his devoted deputy minister and by the whole staff of the department. The authorities came to the conclusion that my request was justified, and they granted it in favour of the city of Newport, and therefore of the constituency of Gaspe. Thanks to the subsidy which the department decided to grant for the construction of a convenient fishing harbour, I am proud to announce to the house that the Quebec United Fishermen will build a filleting plant at a cost of more than one million dollars and that plant will help improve the lot of fishermen, and at the same time, will provide jobs for more than 150 persons.

That is, Mr. Chairman, something which is practical for the development of my constituency. Attention was given not only to the interest of a small group, but to the whole community, including those poor fishermen.

I know I have put other requests to the minister, and, as I said a moment ago, they were numerous.

One of those dealt with improvements to be made to the harbour of Grande Riviere, which comprises a population of fishermen and a federal biology office as well as a provincial fisheries school. The Robin, Jones & Whitman Company of Paspebiac, would be interested in the building of a fish processing plant. That company is willing to invest $500,000 in such a plant. It is ready to start construction as soon as the Department of Public Works decides to undertake the work that is needed on the harbour. I am confident that the minister and his officials will act upon this request, so that the parish may have the benefit of a new important industry.

Mr. Chairman, I have also called for improvements to the Chandler harbour, which has been the subject of representations for many years. The Gaspesia sulphite plant is located in that city, and many ships call at this port to take on cargo. However, the ships have to put up with considerable difficulties, because at the slightest indication of a storm they have to get away from the wharf and keep out at sea for hours and even days, thus further increasing the cost of lumber transportation; this, in turn, prevents companies from paying as much for the wood as they pay in other communities with more adequate transportation facilities.

The city of Chandler has a magnificent port, where ships can dock at any time of the year. In the wintertime, there is no ice to obstruct traffic. I have here a photograph taken in February, which shows that there is no ice to prevent shipping, so that ships can come in and take up cargo throughout the year.

If you want to have an idea of that industry, which is vital both for the town of Chandler and the constituency of Gaspe in general, I must tell you that in 1950 the company spent for wood alone an amount of $2,352,000; in 1956, it spent $4,258,000. That same company has paid in wages in 1950, $1,461,000, and in 1956 $1,983,000. It adds up, for 1956, in purchases of wood and in wages, to $6,241,000. Besides that company intends to enlarge its plant, which would provide more work to the labourers.

In that case too, we are waiting, for I am sure the minister will do something to improve the situation. The officers of the Department of Public Works have undertaken a study of that project. A scale model has been prepared. I have had the opportunity to look at it with a delegation which had come from Chandler to meet the Minister of Public Works and his deputy. I am sure that this project will materialize in the near future. I realize that all the requests I have made cannot be answered overnight, especially when those made on behalf of my constituency are so numerous. I am confident that in the near future, the minister will give consideration to the development of that area, one which has been neglected in the past.

I would like to add a few words about Gaspe harbour, one of the most beautiful of natural harbours. Unfortunately, it has remained in its natural state, just as created by Providence. There again, it would be possible to do something, because we, in the Gaspe constituency, have, like everyone else, paid taxes; unfortunately, we have never got back part of that money for the improvement of the economic situation of the area. As I said last year, we cannot take advantage of all the good legislation adopted by the government, as do other constituencies; we get practically no benefit under the National Housing Act, that excellent piece of legislation.

In conclusion, I once more thank the minister and all his staff for the consideration they have given in the past to the problems of Gaspe.

(Text):

Mr. McCleave: Mr. Chairman, I have a very brief remark to make about paraplegics and public buildings, but before I do so may I second the remarks of the hon. member for York-Scarborough on behalf of the G.F.A. on the new honours which have come to the minister. We have watched his progress with a great deal of interest, and as he continues to rise in the affection of the house he nears the day when he too will become a member of the G.F.A.

My remarks regarding paraplegics are very simple. I have had representations from time to time, as I know other members of this committee have, in which the paraplegic associations have expressed some concern about

the architecture of public buildings. Particularly they do wish that the federal government in its building program would give some lead, direction or example to the other groups building in this country by so arranging the entrances that it is possible for people in wheel chairs to enter and leave public buildings with the utmost of ease. I hope when the minister rises to take part in this debate he might deal specifically with the representations that have been made by the paraplegic associations.

Mr. McWilliam: Mr. Chairman, I wish to extend congratulations to the minister on his appointment to the external affairs post. He must, even with his usual modesty, feel a sense of pride on his selection to this most important post in international affairs. It becomes, I think, a recognition of 24 years of faithful service as a member of the parliament of Canada, and for the past two years as a federal cabinet minister in the important portfolio of public works; also he has fulfilled the difficult assignment of house leader. It is a deserved appointment for many reasons, not the least of which is his 24 years of faithful service as a member of parliament. Of course his many other attributes are good reasons for his selection. Every good wish goes to the minister in his role in international affairs. He will now serve Canada in a wider field, and I join with others and say to the minister good luck; good deliberations in the best interests of Canada.

The minister in his remarks on May 2, when opening the main public works estimates, stated that the total departmental expenditure for the year 1958-59 was $220.3 million, an increase of $8 million over the year 1957-58. This year's total amount requested, exclusive of statutory items, is $173.6 million, a decrease of $17.8 million compared to last year's amount. The supplementary estimates tabled on June 1 provide an additional $700,000 for New Brunswick under the heading "harbours and rivers, engineering services". Under the heading of public works for New Brunswick the amount shown for 1958-59 is $2,005,000, and the amount for 1959-60 is $490,000.

Under the heading of public buildings in the Atlantic provinces the 1958-59 total was $6,938,475 compared with the 1959-60 total of $4,248,475, a difference of $2,690,000. Under the heading dealing with public buildings in New Brunswick there are two votes for the completion of the construction of public buildings at Campbellton and Grand Falls and three votes for the construction of new buildings at Moncton, Sackville and Saint John. Almost the whole decrease of $1,746,000 under public buildings for the three maritime provinces falls to the lot of New Brunswick namely $1,515,000 or 87 per cent of the total decrease.

Under the provision for harbours and rivers in New Brunswick in this year's estimates, Northumberland-Miramichi has only three small wharf repair jobs; Escuminac breakwater repairs at $59,000, Lower Newcastle wharf repairs at $26,500 and Newcastle wharf repairs at $70,000 for a total of $155,000, which is more than will be required since the low bids on these jobs are below the estimated costs.

There are many single items in the list of projects for other parts of New Brunswick which amount to many times the total amount to be spent in Northumberland-Miramichi, even though there are a number of small projects needed in that constituency. These include small landing wharfs, extensions to existing wharves and dredging to improve the Miramichi fishing industry. I trust that when the further supplementary estimates are brought down many of these projects will be included.

I ask the minister to grant the request recently made by the fishermen of Manuels post office and have the necessary survey undertaken immediately. I also request the minister to have his New Brunswick officials make a complete survey of Miramichi fishing facilities with a view to constructing new facilities where none presently exist, and improving existing ones to ameliorate the lot of the fishermen who, as primary producers, toil the hardest for the least return received by any segment of Canadian workers.

When the amendment to the Trans-Canada Highway Act was before the house earlier this session to increase the amount of the fund, I urged the minister to promote a second trans-Canada highway in the northeast section of New Brunswick. This secondary highway would provide a much-needed complete artery from Campbellton to Moncton, filling in the missing link in the highway transportation system in that area at Chatham, where a serious traffic bottleneck exists. Perhaps the minister would give consideration to presenting legislation next session which would make it possible for the federal and provincial governments to enter into agreements for the construction of vital secondary transportation arteries.

In connection with highways other than primary or secondary trans-Canada highways, the citizens of northern and eastern New Brunswick are aroused over reports

that a corridor road is to be constructed between central Canada and southern New Brunswick through the state of Maine. Reports state that federal assistance will be provided in conjunction with the provinces of New Brunswick and Quebec. While it is realized that the federal government has no jurisdiction over any highway which the provinces of New Brunswick and Quebec might construct, and that it certainly has no jurisdiction within the state of Maine, it is on any grounds inconceivable that the federal government would assist in any way in the construction of this proposed corridor road, a highway which would have an extremely adverse economic result in the northern and eastern sections of New Brunswick. The people in this area would appreciate the minister's views with regard to such federal assistance, and on their behalf I plead with the minister to use his influence to turn down any requests for aid.

A newspaper report which appeared in the Moncton *Daily Times* of May 9, 1959 stated that proposal of the provincial government to assist in the construction of a tourist wharf in the town had been accepted by the committee of the whole of the Shediac town council. The proposal was that the Shediac town council should provide $16,000, the provincial government $24,000 and the federal government the remaining $120,000.

Requests have been made by the Chatham town council for federal financial assistance toward the construction of a highway bridge, a project of much greater importance than the tourist wharf. Requests were also made to the provincial government in this connection, but both requests for assistance toward this bridge project fell on deaf ears. Apparently the ears are more receptive in the case of a tourist wharf. How can government assistance toward the construction of a tourist wharf be reconciled with refusal to grant assistance toward the building of a bridge on a main provincial highway? I am not objecting to assistance to the town of Shediac for a tourist wharf in this lobster capital of the world. I feel, however, that other undertakings are worthy of support, undertakings of a more vital nature which unfortunately have not been assisted.

On May 4 of this year, as reported in the *Commercial-World* of May 7, 1959, representatives of the Chatham board of trade, R. J. Martin, M.L.A., J. W. Clarke and E. J. McKinnon, met with the Chatham town council and requested a grant of $1,000 in order to continue the campaign for a bridge at Chatham, $400 of this amount to be used to defray the expenses of a delegation to Ottawa to be undertaken—and here I quote from the newspaper—"in an effort to get a commitment from public works Minister Green relative to the proposed bridge." The request for $400 to defray expenses to Ottawa was granted. The remainder was held in abeyance, with a decision to be made when the delegation had presented its report.

I do not know whether this delegation did visit Ottawa. If the delegation has in fact met the minister, then the citizens of Chatham and the surrounding area will appreciate learning from the hon. gentleman the results of the representation. The outcome of the meeting is awaited with great interest, and I hope when the minister sums up our discussions he will make reference to it. The May 6, 1958 issue of the Chatham *Gazette* reporting on a meeting of the bridge committee with the Minister of Public Works at Chatham a few days earlier stated:

> At the conference held with Hon. Mr. Green every assurance was given the committee by Mr. Green that he would co-operate in every possible way and explore every available channel to enhance the erection of this bridge. It is therefore planned that the committee will, if necessary, journey to Ottawa and discuss the matter further with the hon. Minister of Public Works.

Mr. Green: What date was that?

Mr. McWilliam: The May 6, 1958, issue of the Chatham *Gazette*. The same newspaper article also stated:

> The bridge committee which met Hon. Howard Green, federal Minister of Public Works, here in Chatham, is now seeking to arrange a conference with Hon. Hugh John Flemming, premier of New Brunswick, to explore prospects for immediate action for the survey and erection of this bridge.

Premier Flemming took no action toward a survey, the first essential step. However, the town council of Chatham authorized a survey which was completed recently at the town's expense. I do not know if the minister was misquoted in this newspaper article or if his remarks were received with too much optimism and were elaborated upon. Perhaps the reporter at the meeting was carried away with enthusiasm and misquoted the minister, because knowing the minister as I do I think he would be very careful in what he said about assistance in the erection of a bridge that forms part of a highway within a province.

On the other hand, if the minister was reported correctly then perhaps he will inform the committee what channels he explored to further the erection of the bridge. Perhaps he will tell the committee if he contacted the provincial authorities in this connection and, if so, with what results. Whatever action was taken by the minister, it is obvious that the federal government does not assume any responsibility.

On February 4, 1959, nine months less two days later, the minister was asked the following question by myself as recorded at page 674 of *Hansard* of that date:

Has the federal government any responsibility for New Brunswick highway No. 11—of which the proposed bridge at Chatham would form a part?

His reply on that occasion was as follows:

No responsibility in respect of New Brunswick highway No. 11. Should a bridge be constructed, however, there would be the normal approval required under the Navigable Waters Protection Act.

This approval, known to most people, is to safeguard against obstructions to water navigation and does not provide for financial assistance. In view of the government's answer of February 4 of this year, it appears that nothing of a concrete nature can be gained by sending a delegation to Ottawa unless the provincial minister of public works were a member of the delegation and the plans of the provincial government were placed before the federal minister and were known to the members of the Chatham board of trade delegation.

This same newspaper article of May 6, 1958 promoted the view that it is essential that conferences be held with the provincial department of public works at Fredericton, seeking federal co-operation. Although conferences were held they brought no tangible results. It is my view that before any assistance can be secured at the federal level the provincial government must make its position clear; otherwise efforts will get the same runaround for this vitally needed bridge which is the treatment that has been received for some time.

On page 453 of the book of estimates there is an item of $360,000 to be voted for an investigation to determine the feasibility of constructing a proposed causeway across Northumberland strait, including the opening of a test quarry. The minister's statement in connection with the proposed Northumberland strait causeway was not very encouraging to the people of Prince Edward Island and many others. The minister outlined what was encountered in this survey with respect to tidal and ice conditions that will result if a causeway is constructed. He spoke of other factors that will be considered, following which the economic feasibility of the project will be decided.

If the minister is in a position to give an approximate date when a report will be issued or when an interim report will be made public, the people of Prince Edward Island and New Brunswick would appreciate such an announcement. In any event they look for a report at the earliest possible date and urge that the matter be expedited. Now that the economic survey has been undertaken they are keenly conscious that the $184 million South Saskatchewan dam project is under way.

A disturbing incident took place recently that is detrimental to the building up of an efficient staff for the performance of a public service. Following the change in government in 1957 the employees of government dredges No. 23 and No. 24 were retained. Provincial officials in charge of the dredges expressed complete satisfaction with all these employees, who were trained men giving good service. Attempts were made in 1957 through political channels to have certain individuals fired. No changes were made in 1957 or in 1958, and crews were kept intact despite further political efforts.

One reason for the previous failure of political efforts to have certain members of the crews dismissed was that none of the crew members took any part whatever in the political campaigns of 1957 and 1958.

When operations commenced this season four of the crew were not called for work and to this day they have received no notice that they would be continued in employment. Four new men were taken on as replacements. These were men untrained in this type of work, with no previous experience on the water or with dredging equipment. In our experience with dredging equipment the dismissal of men who have served faithfully over the years is a retrograde step in the building up of the public service. The action was taken solely on political grounds, despite what the minister said with regard to employees of his department retaining their jobs as long as their services were satisfactory and they did not take part in politics.

Mr. Brooks: Mr. Chairman, may I ask the hon. member a question? Are these permanent employees about which the hon. member is speaking or temporary employees who are hired every year?

Mr. McWilliam: The minister well knows they were temporary employees hired each year, but regardless of that—

Mr. Brooks: I might say that I know that in past years they were hired by the former government because they were political supporters of the Liberal party, and were hired on the recommendation of the hon. member who now has the floor.

Mr. Pickersgill: Are you suggesting the same thing is happening now?

Mr. McWilliam: Regardless of that, Mr. Chairman, these men gave good service over the years and relinquished any political affiliations. I maintain they are deserving of

better treatment than they received, because of the excellent service they have faithfully rendered over the years.

Perhaps the minister tried to retain those experienced workers, as is indicated by the fact that no dismissals were made in 1957 or 1958, right until this year. However, it appears that the local political pressure became too strong, and the minister finally agreed to the termination of the service of trained personnel in favour of inexperienced men—and I trust the Minister of Veterans Affairs will listen to this—even displacing war veterans by non-veterans.

The minister's answer to the starred question evaded giving any good reason for the dismissals. The only answer given was that the jobs were seasonal positions, a very weak reason. In my opinion it was the machinery used to dismiss faithful and experienced employees who were branded as Liberals but who, despite what any local Conservative patronage committee may say, took no part in the 1957 or 1958 election campaigns. I trust the Minister of Veterans Affairs will note this, too. I probably realized at the start that the story—

Mr. Brooks: I have noted a whole lot regarding the hon. member's constituency, and the main thing I have noticed in the past is this. In the years when his party was in power all the men who obtained employment were of his party and were recommended by him, and anyone belonging to any other party had no chance at all.

Mr. McWilliam: Well, that is the view of the Minister of Veterans Affairs, and I know everybody realizes it is purely a political point of view on these matters. I am sure that in his long experience as a representative of the people when he was in the provincial government, and now that he holds the patronage here with the federal government, the minister never recommended any Liberal for any job under his jurisdiction.

Mr. Brooks: You do not know that.

Mr. McWilliam: From the point of view of building up the public service and protecting the rights of employees gained through services rendered, and for the maintenance of a good level of production for public money expended in this essential service, it is unfortunate that this action was taken.

In conclusion, Mr. Chairman, I repeat my request for a survey of fishing facilities directed toward new construction and improvements to existing facilities for the Miramichi fishing industry. On behalf of the fishermen who are primary producers of many species of fish from Miramichi waters, who toil under great handicaps, who are deserving of adequate facilities to assist them in their daily labours, I urge the minister, in co-operation with the Minister of Fisheries, to authorize a complete study and survey. At the same time a survey should be made of wharf and dredging facilities for the export and import trade of the Miramichi.

Mr. McGrath: Mr. Chairman, I shall transgress only a short time on the committee's time to avail myself of this opportunity to congratulate the minister on his new appointment. It is perhaps the only opportunity that hon. members will have during this session to offer congratulations to the minister. I want him to bear in mind that this is not meant to contribute to a delay in the passage of his estimates.

Since he came to the cabinet almost two years ago the Minister of Public Works has done a very commendable job and a tremendous service to Canada, particularly to the Atlantic provinces. There are in the province of Newfoundland—indeed in the maritime provinces—many outstanding works which are evidences of the great interest of the Minister of Public Works in the less endowed areas of Canada.

I want to assure the minister of the high esteem in which he is held in my constituency in the province of Newfoundland. The interest he has taken in my province, as I say, has been made manifest on many occasions. My one regret is that because of time, because of the many demands on the minister, he has not had an opportunity since becoming Minister of Public Works to visit the province of Newfoundland and see for himself just exactly what a tremendous job is being undertaken by his department in that province.

I could speak, for example, of the mammoth St. John's harbour development, which in a few years' time will make this old seaport of St. John's into a great modern harbour. I think, too, of the community stage program, which has received a fair amount of criticism from some hon. members here and in other places as well. But I will say this with regard to that community stage program, Mr. Chairman. It is the first concrete and definite step that has been taken in many years by the federal government to materially aid the Newfoundland fishermen. It is my hope that this community stage program which is now in course of development stage—perhaps it could be termed an experimental stage—will be enlarged and extended in the years ahead.

Perhaps the greatest criticism that has been made of the community stage program is that it is inadequate in that it covers only 20 of the hard-pressed Newfoundland fishing centres; but we must realize that this is

something new, and it must proceed slowly on the basis of trial and error. I can only hope that as this community stage program proceeds it will meet with that degree of success which was intended.

Mr. Chairman, the Minister of Public Works has now been called upon to serve his country in the very important field of world diplomacy and world politics. I think it is a great tribute to his ability that he should be called upon to serve Canada in these troubled times. In paying this little tribute to the minister, as I said before, I do so with a certain amount of regret because he is leaving the portfolio of public works. To those who follow in his footsteps I suggest that he has set a standard which will be quite difficult to maintain. However, I am sure the minister will always retain that interest in Canadian affairs generally for which he has been noted down through the years.

Public works in a province such as Newfoundland play a more important role than in perhaps any other part of Canada, because they contribute not only to the material improvement of harbours, rivers and public buildings but also contribute greatly to the economy of this retarded area. One has just to scan the minister's estimates for this year to see that many important works are now being undertaken by the Department of Public Works which I suggest should have been started years ago. They have been started now because of that greater degree of interest which exists in the Department of Public Works.

I think of the huge wharf reconstruction at Bay de Verde; the wharf extension and shed at Bell island; the wharf reconstruction and extensions at Carmanville and Catalina; the harbour improvements at Codroy on the west coast; the huge wharf now under construction at Goose Bay, Labrador; the breakwater construction at Grand Bank; the building of the large wharf at Harbour Breton on the south coast; the wharf construction at Harbour Main; the harbour improvements at Port aux Basques and, of course, the $13 million St. John's harbour development. There can be no greater tribute to the tenure of office of the present Minister of Public Works, Mr. Chairman, than can be found in the estimates for the coming year.

In conclusion I should like also at this time to pay tribute to the hard working staff, the district engineer and the staff, of the Newfoundland region. Nowhere else in Canada do public works present such a challenge as in Newfoundland and, as I said before, nowhere else in Canada are public works so important. I would recommend to the minister and to his officers that they bear this in mind when they view the various requests that come from time to time for additional staff. There have been additions to the staff of the Newfoundland office in recent months, but with all due respect I suggest that the staff of the Newfoundland office is still inadequate. They make up, perhaps, for lack of numbers in the quality of the personnel employed in the public works office in Newfoundland.

Mr. Tucker: I feel that first I must express my personal regrets at the departure of the now acting Minister of Public Works from that post. I offer him my sincere congratulations upon his appointment to the position of Secretary of State for External Affairs. I am sure this house is of the belief that he will do his best in that important post, just as he has in the past during his term as Minister of Public Works. We all wish him every success. While not always agreeing with his decisions I must admit that I found the acting minister a very fair man in all his dealings. I now wish him well. I believe in sending flowers while the minister is alive and can smell them. I had hoped that he would remain in office until all the wharves in my riding had been constructed or repaired. I hope when his successor is appointed he will give a sympathetic hearing and reasonable consideration to the many requests which he is sure to receive from me from time to time.

I feel that I should also publicly pay tribute to the officials of the Department of Public Works in their sincere endeavour to do their best in the interests of all concerned at all times. I extend my sincere gratitude to all the officials.

In my riding of Trinity-Conception there are many fishing communities, some of which are very important because of the quantity of codfish produced and the many fish plants that are located there. I am glad the Department of Public Works has tried to assist the fishermen in these areas. For instance, at Harbour Grace approximately $136,000 has been spent during the past five years on harbour improvements for the benefit of the fishermen. At Catalina island, in the northern part of my riding, approximately $745,000 has been spent during the past five years. Approximately one-quarter of all the Newfoundland salt codfish is exported from the Catalina island area. A model fish plant is also located at this harbour and is operated by Fisheries Products Limited.

There is a large federal experimental salt fish drier at Catalina on the premises of S. W. Mifflin Limited. A dredging program was also carried out here, but more dredging is required to make it easier for ships to enter and leave the harbour. A coastal wharf has been built and now a fishermen's wharf is

being constructed. In the Bay de Verde and Port de Grave area the department has also spent much money during the past five years. These are two very important fishing centres, and we know these expenditures have been justified.

There are still, however, many more areas in which public works improvements would be of great economic benefit. Many of these areas have already been brought to the attention of the minister from time to time by way of petitions, letters and telephone calls, and I must say that I have received reports on all but, as may be expected, they have not always been favourable. For instance, last year I presented a petition to the Department of Public Works for a wharf at Dildo South, where there is a large whaling and fresh fish operation and from which point I believe the only mink feed delivery service in Canada operates, catering to some 25 mink ranchers in the Blaketown area. Last year about 25,000 mink pelts were produced, which brought some $500,000 to Newfoundland. However, more fresh fish is needed to provide additional feed for the mink. I understand the Department of Public Works, after making a careful survey, is considering the construction of a wharf there. This will be of great assistance to all the people in that general area.

There are many places where the fishermen have requested extensions to the present wharfing facilities. The following places come to mind: Britannia; Caplin Cove; Chance Cove; Deer Harbour; Gooseberry Cove; Green's Harbour, eastern end; Heart's Desire; Lead Cove; Little Heart's Ease; New Harbour; Norman's Cove; Spaniard's Bay and Sunnyside. Requests have also been received for the construction of wharves from the following settlements: Bishop's Cove; Burnt Point; Butter Cove; Grate's Cove; Green's Harbour, western end; Hillview; Harbour Grace south; Melrose; Monroe; Queen's Cove; Sunnyside; Thornlea and Winterton. Many of these requests were made last year, and I am sure the Department of Public Works will give them serious consideration.

When those wharves have been extended or constructed, Mr. Chairman, I shall have much pleasure in furnishing the names of other settlements which need public works attention. Once again I suggest that docking facilities be established at Harbour Grace and Clarenville in order to take care of the boats requiring docking facilities, because the Canadian National Railways dock at St. John's is not able to cater to the boats and schooners requiring its facilities.

A fishermen's landing is also badly needed in Carbonear, and I am hopeful that the department will take care of that matter this year. I am convinced that the present plan for community stages should be continued, as I am sure they will prove to be extremely beneficial. I strongly suggest that, because of weather conditions, much of the public works construction be carried out in Newfoundland during the early spring or the late fall rather than in the winter months.

I believe the federal government should also give increased financial assistance to Newfoundland to complete the trans-Canada highway, because Newfoundland has not a standard gauge railway and consequently cannot cater to the trade of the province adequately and at competitive cost in any favourable proportion as compared with the situation in the other provinces of Canada. It is the duty of the federal government of Canada, to provide Newfoundland with a railway service in keeping with that in the rest of Canada, to keep the cost of the transportation of goods, etc. into and out of Newfoundland at the same level as in the other provinces. Consequently any extra financial assistance given to Newfoundland to complete her portion of the trans-Canada highway will only square up matters with the province of Newfoundland. Newfoundland then will not be receiving in proportion any more favourable treatment than that which the other provinces of Canada are receiving from the federal government.

Mr. Stewart: Without unduly delaying the passage of the estimates I should like to be permitted at this time, on my own behalf, on behalf of the people of my constituency and of the people of the province of New Brunswick generally, to express to the Minister of Public Works our appreciation for what he has done for our province during his tenure of office. The universal approval of the announcement made yesterday indicates the cherished position he holds in this house, and I think that is the position he holds in the minds of the Canadian people generally.

For a long period of time the present Minister of Public Works has been held in very high esteem by the people of my province. I feel that I would be remiss in my duty as a member from that province if I did not convey to him at this time our feelings and our appreciation of what he has done for us. I should like also to convey on behalf of the people of my constituency, particularly the people of Campobello island, appreciation for his co-operation and for the assistance he has given to that part of New Brunswick.

The Minister of Public Works has brought to that department a realistic appreciation of the problems confronting the people of New

Brunswick, particularly the fishermen of my constituency. He introduced and sponsored through this house the Campobello-Lubec bridge bill which provides for a connecting link between the island of Campobello and Lubec in the state of Maine. On Tuesday of this week the governor of Maine signed the bill which provides for the construction of this connecting bridge. When the film is made of the play "Sunrise at Campobello" depicting the early life of the late Franklin D. Roosevelt, possibly the stars of the cast will be able to journey to the island of Campobello over a bridge made possible in part at least through the efforts of the present Minister of Public Works.

The people of Campobello wish him well in his new appointment. They are sorry to see that he is leaving the department he now heads. I am sure they would wish me to express to him our appreciation of what he has done and to wish him well in his new field. We are confident that his success in the future is assured in keeping with his past record.

Mr. Chevrier: My remarks will be brief and will be directed toward one aspect only of the minister's activities. However, before I embark upon them perhaps the committee will allow me to reiterate my congratulations to the minister on his appointment to this new and high office to which he has been called by the government. May I say to him that I am delighted that he will remain house leader for the rest of the session but that, on the other hand, I am sorry that because of the importance of his new duties he may not be able to carry on those duties during the following session in 1960. No one will miss him more than I. I am happy to say that during the time he has occupied that office of house leader our relationship has been of the happiest kind and certainly one of great co-operation.

I rose to speak about port development along the St. Lawrence. I am particularly interested in this matter not only because of my close association with it during the almost ten years in which I held the position of Minister of Transport and then in another position as president of the St. Lawrence seaway authority for three years.

Again I want to bring to the attention of the minister and his officials the importance of adequate port facilities all along the seaway. It has been said repeatedly by economists that more money is now being spent by industry from the lower St. Lawrence right up to the head of the lakes for industrial development than on the seaway itself. If that is the case, and I believe it to be, then it is of equal importance that the ports which come under the jurisdiction of the minister be adequately equipped.

I speak first of all, of course, of the ports in the province of Quebec. I am particularly interested in them. But before doing so I should like to remind the minister of a suggestion I made in 1957 and again in 1958 both to the Minister of Public Works and to the Minister of Transport, but to which apparently little or no heed was paid. Perhaps it was not thought to be important at the time. However, I believe circumstances have shown that it was important.

The recommendation I made was that a body be set up to make an economic survey of all the regions of the St. Lawrence seaway and how those regions would be affected, including the ports, from one end to the other. While I was not successful in 1957 in convincing the government that this was something that should be done, I was successful in getting a recommendation in the annual report of the standing committee on railways, canals and telegraph lines. While I do not have it available at the moment, and I do not want to delay these estimates, it is clearly a recommendation in the report of 1958 that an economic survey be made of all the regions and areas affected by the seaway.

Mr. Green: I am sorry; I did not hear the last few words.

Mr. Chevrier: —an economic survey of the different geographic regions of Canada affected by the seaway.

Now I come back to these ports. I am particularly interested, of course, in the lower St. Lawrence ports, because they come neither under the jurisdiction of the Minister of Transport nor under the jurisdiction of the national harbours board; I think they fall under the Department of Public Works. I refer to Seven Islands, Baie Comeau, Rimouski and other such ports. I happen to know that at Baie Comeau there is a vast development going on now arising out of the seaway, and that is the construction of a large grain elevator which it is estimated will look after new traffic such as the grain shipments which it is expected will come down the seaway.

I suggest that if private industry can go to the length of an expenditure of that nature—I have not the figure before me now but I know it is a matter of many millions of dollars—the Department of Public Works should give consideration to providing facilities at that fast-growing community.

Mr. Green: May I ask the hon. member a question. On May 21, at page 3915 of *Hansard*,

I dealt with the construction going on in the lower St. Lawrence area. Has the hon. member seen that?

Mr. Chevrier: Yes, I have, but I was wondering if the minister felt that was enough under the circumstances, because there will be great development in that area. I would say it is anticipated that there will be great development because of this increased movement and the fact that the ships will go from the head of the lakes now right down to Montreal and other St. Lawrence ports without transshipment. Therefore new, more modern and more up to date facilities are required at these ports; and while I have seen the minister's statement I was just wondering if that was going far enough.

I am going to curtail my remarks, but I do want to deal with the ports in the province of Ontario. I spoke at Port Arthur some weeks ago, and I was astounded to find that practically nothing had been done at the lakehead toward development. I know the minister has had a survey group look into the actual conditions and possible future harbour and other requirements along the St. Lawrence river as a result of the completion of the seaway, and one such group went to Cornwall, Belleville, Kingston, and other ports right up to Toronto.

There is quite a bit of discussion right now as to what should be done at the city of Cornwall, and I am sorry to say there is not nearly as much being done there as there should be. There are places, for instance like Kingston, that are complaining that they are off the beaten path, some distance away from the deep channel; but notwithstanding that, Kingston is going to become quite an important port for down river traffic. In fact one large corporation has already indicated its intention of making the city of Kingston a base for future developments.

What I am coming to now is this. Take a place like the city of Cornwall. That port is right on deep water. Both extremities have deep water facilities of over 27 feet, and can therefore take the 25½ feet draft vessels. It seems to me that in the two years the government has been in office more attention should have been given to that community. I know that representations have been made by the hon. member for Stormont, but I am sure he will not mind my rising in the House of Commons at this time because of my close association with that community, and I do not rise for any other purpose than to be helpful. All I say is that there are all the facilities in the world, and I do wish the minister would give some special attention to that port.

On the whole I rose simply to draw the attention of the minister to the fact that in the United States large sums of money are being spent in anticipation of future traffic, and it seems to me that we should be giving the same attention on this side of the international line.

Mr. Pascoe: May I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Pascoe: I realize that the minister would appreciate getting his estimates through this committee as expeditiously as possible. We wish to assist him in that regard, so I will take only a very brief period of the time of this committee.

However, I wish to express my appreciation, and the appreciation of the constituents of Moose Jaw city, to the minister with regard to the construction of our new federal building which was made possible by the hon. gentleman's decision shortly after he assumed office as Minister of Public Works. The new federal building in Moose Jaw is now rising rapidly and will be open early next year. The final vote for $600,000 for the completion of the building appears in the estimates before us. Last year there was a vote of $500,000 for the new building, and newspapers give some idea of its proportions.

Moose Jaw city has been built up very greatly in the last two years, particularly in the northwest and southwest areas, and I contend that this is due very largely to the housing program of the Department of Public Works. The minister can be very proud of the success of his efforts in this regard, and I trust that his successor in the department will follow his fine example.

Through the fortunes of constituency redistribution I also represent the outer—the growing—areas of Regina city, and here, also, the minister's housing program has been the means of very rapid expansion. I know his efforts, and the efforts of his department, are very greatly appreciated. At the present time there is a program for a large rental housing project in north Regina an area which, as I said, is included in Moose Jaw-Lake Centre. I have had something to do with the arrangements for this proposed project and I hope the minister will be in a position to make a definite announcement in the near future.

Of course, as a Moose Jaw resident I will draw the minister's attention to the need for further extensions of this program in Moose

Jaw. There are other items included in these estimates dealing with repairs and improvements to various public buildings in Saskatchewan. Some of these buildings are, I am sure, in Moose Jaw-Lake Centre. We welcome this extra work and this indication of the minister's continued interest on our behalf.

Before I resume my seat I wish to take this opportunity to offer my personal congratulations and the congratulations of the people of Moose Jaw-Lake Centre to the minister upon his appointment as Secretary of State for External Affairs. I am sure that after all the statements which have been made by previous speakers, all of which I endorse wholeheartedly, the minister will know that he has the best wishes of all members and of Canadian people in his new call to service for Canada. We can rest assured that the external affairs of this country are in good hands. Once again, while he is still Minister of Public Works I wish to thank the hon. gentleman on behalf of Moose Jaw-Lake Centre for the co-operation he has always given us in tackling our problems, particularly our housing problems.

Mr. Granger: In common with most hon. members I am very interested in the estimates of the Department of Public Works. I come from a riding where most of the people live in seaport towns or small outport settlements and their interest in marine works in particular is very keen indeed.

I should like for a moment to talk about the value of small works in such places as these, places where very often the sea is the highway and the boat and the wharf take the place of the car and the road. Most of these places are fishing settlements and some of these settlements are exposed; they are not all built in good harbours; they are built in shallow coves where some improvement on nature is necessary if the fishermen are to pursue their vocation over a period of reasonable length.

In some of these fishing settlements a small breakwater can make all the difference between a short fishing season and a long one, or between a fishing season which is constant and one which is interrupted by storms which compel fishermen to haul up their boats. Small breakwaters, not costing very much money in some instances, can make half decent small harbours; practical harbours where boats can remain at anchor during a storm.

Then there are places where for physical and economic reasons breakwaters are not practicable. In such places, small slipways, complete with either power winches or hand winches could be utilized for hauling boats out of the water rapidly when storms approach and then enabling them to be launched fairly quickly when the sea is again fit for fishing.

Then there is the small landing wharf. Apart from being a place where boats may tie up and the catch may be landed these wharfs become a focal point for fishing activities and, in many cases, they are used for purposes far beyond the original intention of the wharf. They are used to dry nets, to handle fish and to land supplies. Many of these small wharves cost very little and the funds for their construction come out of the miscellaneous or general vote. It is for this reason that I should like to suggest that the minister consider enlarging this miscellaneous vote so as to take care of a greater number of these small marine activities.

The community stages program which began last year will, without doubt, become one of the very best programs thus far instituted for the benefit of fishermen. Just as the small public wharf becomes a focal point for fishermen, so on a larger and more efficient scale is the community stage for the whole fishing community and I do hope that this program will be extended and, if possible, enlarged.

While I do not think I should attempt to name here all the places where community stages should be built, I should like to suggest that St. Anthony, one of the most important fishing towns in the north does need something in the way of community stages. I do not think one community stage would be sufficient there owing to the layout of the town. Two or three should be considered.

I should like to speak briefly about one or two larger projects. Before doing so I should like to thank the minister for the program which has been instituted this year in my riding calling for the completion of the wharf at Battle Harbour, Sop's Arm; the important wharf at Goose Bay mentioned this morning by my colleague the hon. member for St. John's East; and at Hampden, Harbour Round and Ming's Bight and Williams Harbour on the Labrador. I understand, too, the department will be lengthening and enlarging the Canadian National Railways docks at Lewisporte.

All these are vitally needed. I do not want to appear to be greedy and simply say that "these things ought ye to have done and not to have left the other undone". I am very pleased that these projects are being built this year. I do hope, however, that special attention can be given to the port of Botwood this year. This is an important point of shipping for central Newfoundland.

For several years the people of Botwood have urged the construction of a public wharf for their seaport town.

There are some places along the coast of the Labrador where small wharves are necessary. There are places like Baie Verte in Newfoundland, where the asbestos mines are being developed and where a large coastal wharf is needed. I may perhaps be forgiven for calling attention to Woodstock. In connection with this place it was pointed out by the department that it not being a port of call for the C.N.R. steamers a coastal wharf was not necessary. While the C.N.R. pointed out that there not being a wharf at Woodstock, their steamers could not make it a port of call. Within the next twelve months I hope there is sufficient co-operation between the department and the other organization so that some consideration may be given to co-ordinating the building and completion of the wharf with the calling of the steamer.

With respect to public buildings I should like to repeat what I said once before. Small public buildings, even as large public buildings are monuments to Canada. This should be kept in mind when they are being designed. I do not suggest that buildings as large or as ornate as the parliament buildings should be built in small towns but I do suggest that when a building is designed it should adequately portray what Canada is. It should be neat, attractive, well proportioned and adequate and should be designed to house all federal government services in the community.

To illustrate my point I shall refer to Glenwood to which reference has already been made. A post office is badly needed in Glenwood. The Canadian National Telegraphs is putting in a new telephone system which will require a building. Unless there is proper liaison between the two bodies the C.N.T. will have its own small building and the post office will have its own small building. We will have two small buildings, when instead we could have a larger and better building that would be a credit to Canada and honour the name it will bear. At the same time it would be more economical.

I feel rather strongly about the value of these buildings in terms of the impression they create on people in the community and particularly young people who grow up and form their impressions of Canada from the type of buildings on which they see that proud name written.

I should also like to mention the buildings which are nearing completion in St. John's. The customs building and the post office building are both nearing completion. My understanding is that the previous administration had a program of building to follow the completion of these structures so that employment would be maintained at a reasonable level. There were to be fisheries, transport and unemployment insurance buildings. As we near completion of the buildings now under construction I trust that the department has in mind plans for future building.

It is a matter of personal pride for me to know that harbour developments are getting well along at St. John's. I supported that development last year and perhaps I may be pardoned for saying that this was planned under the previous administration.

I wish to repeat that a large miscellaneous vote is important. Small wharves, breakwaters, slipways and winches are all vitally important to the development of our fisheries and to the provision of a constant source of employment to those who are engaged in the fishing industry.

I should like to conclude by offering my sincere congratulations to the minister on his new appointment. My pleasure is somewhat tinged with regret because he is leaving the Department of Public Works. I am sure he will bring to his new duties the same spirit of fairness and dedication he has displayed in his present position. I wish also to pay tribute to the officials of his department who year after year work constantly and steadily in the interests of Canada.

Mr. Regnier: Mr. Chairman, it is a privilege for me to have the opportunity of paying a tribute to the new Secretary of State for External Affairs on behalf of the people of St. Boniface. Yesterday the hon. member for York-Scarborough paid tribute to the minister on behalf of the people in his corner and at this time I should like to pay the same tribute on behalf of those in this corner. This may not be the most privileged part of the house but we in this part of the chamber feel that the minister has been more or less a father to us all.

Sometimes we feel jealous of the opposition parties who are given greater privileges than are we who are members of the Conservative party and who sit in this remote corner of the house but we know this is done because the minister is a great lover of the freedom of parliament and he is really letting hon. members of the opposition parties have as much rope as possible. However, knowing what use they have made of the rope, we also feel the minister has a great love for us in this corner.

I should also like to thank the minister who is also deputy premier and leader of

the house for the great benefits that the people of St. Boniface have received since this party came to office. St. Boniface, which is the most important French-speaking city west of the Ottawa river, has been given a satellite television station. It has been given also a channel of equal importance to that given to the English-speaking Canadians. On behalf of the 68,000 French-speaking people of Manitoba, and I might say also on behalf of the four million French-speaking people of Canada, I thank the minister and the present government.

The present minister has the reputation of a man of integrity and of action. One of the great things he has done has been in connection with national housing. Many of those houses have been constructed in Manitoba, but I deplore the fact that none of the minimum cost houses has yet been constructed there. It is not the minister's fault. I believe this plan should be advertised more and I am sure that if minimum cost houses are being provided for the people of Canada it is because the minister feels for the people of less wealth. I believe it is a great thing for them.

I am sorry to see the minister go, but I should like to leave some observations with him regarding national housing. This week I received a plan design having to do with Canada's first family H-bomb shelter in connection with civil defence. It is called "The Telegram Family H-Bomb Shelter" for individual dwellings designed in collaboration with civil defence headquarters. I would greatly appreciate it if under national housing a few of the houses were constructed with a shelter and advertised to see what kind of demand there would be for houses with a shelter constructed in the plan. I know there is a great difference of opinion among people generally regarding civil defence. I believe that some leadership should be given by the government. Since the government is interested in the construction of houses for people, they should set the example by constructing a few houses at the start with a shelter. We know that in Sweden no one can construct a dwelling unless he first obtains a permit. He has to agree to spend at least 2 per cent of the value of the dwelling upon a shelter. If this is feasible, knowing the present minister is a man of action, I know that before he leaves his department he will do something in this connection. Thank you.

Mr. Robichaud: I want to join with other hon. members who have spoken so far in this debate to congratulate the Secretary of State for External Affairs on the high assignment which has been imposed upon him by the Prime Minister. I wish him well in his new portfolio.

[Mr. Regnier.]

My first remarks, Mr. Chairman, on the first item of the public works estimates will be very short. I have two or three questions which I wish to ask the minister, and I am seeking information. First, I should like to know from the minister what decision has been taken with regard to my repeated requests and demands for improvement to the present wharf at Maisonnette? Maisonnette is one of the many fishing communities in my constituency. It is a small bay, a shelter, where we have over 40 fishing boats. Those fishermen are in urgent need of more improvements. Their landings last year amounted to over 1½ million pounds of fish. Their present facilities are definitely inadequate. I hope that the request and the demands from the Maisonnette fishermen, which I have placed before the department on many occasions, will be looked at favourably.

Another project which is urgently needed in my constituency is an improvement to the Tracadie gully. The entrance to that gully is practically blocked off by an old, partially demolished breakwater which is a menace to navigation and to the safety of the fishermen. Last year I was notified by the Department of Public Works that the national research council was to undertake a study to determine what could be done to improve the entrance to the Tracadie gully. I would like to know the results of this study? I was also notified by the department that a hydrographic survey was to be undertaken during the present summer, the 1959 season. I should also like to know from the minister what has been done so far to carry out this survey. I know the fishermen of the area are asking that a small causeway be built between Ferguson gully and Tracadie gully. I am inclined to agree with the fishermen that it would improve the entrance to both gullys, which I understand have been a problem to the engineers of the department.

The last question which I would like to ask the minister is what is the situation with regard to the request which has been received for a public building in the town of Shippegan? The present facilities, providing space for the post office and for the three or four offices of the Department of Fisheries, are definitely inadequate. Representations have been made by the town council of Shippegan and by the local chamber of commerce. I should like to know what progress has been made or whether a decision has been reached by the department to provide the town of Shippegan with an adequate public building?

I wish to close my short remarks. I may have one or two small questions to ask on the

different items later on. I should like the minister to give us information on the three points I have mentioned.

Mr. Pigeon: Mr. Chairman, I wish to congratulate the minister on his appointment as Secretary of State for External Affairs.

(Translation):

It is an honour that redounds to his family, his constituency and the whole of Canada. I am convinced that he will be a credit to his country and will be one of the most prominent men of our international life.

Mr. Chairman, at one time the federal government would build retaining walls along river banks. That practice was discontinued a few years ago.

I have here numerous requests made by the city of Joliette and neighbouring communities, as well as from the city of L'Assomption and from the municipalities of L'Epiphanie and Charlemagne, asking for the construction of retaining walls in order to protect public buildings such as colleges, convents or properties with river frontage.

I should be very glad, if at all possible, to know the exact reason why the government decided in the past to discontinue such a policy.

(Text):

Mr. Batten: I do not intend to long delay the estimates of the minister, but I should like to discuss two or three particular topics at this time. In the northern part of Newfoundland, north of Flower's Cove, in the straits of Belle Isle, there is a large concentration of population in seven or eight settlements. In only one of these settlements so far have we been able to provide any marine construction. Those people who live on this section of the Newfoundland coast are the people who are engaged in the cod fishery and because of the prevailing weather and the distances from the fishing grounds, they must use fairly large and fairly heavy boats. These people who live in these settlements have no protection for these boats. When storms are coming they must of necessity have these boats hauled up and the next morning they have to launch them again. Obviously, a great deal of time is lost in doing this. One can understand, too, that at times these men lose a great deal of their equipment. I have corresponded with the minister about a number of these places and I should like to urge now on behalf of these people that consideration be given to their needs.

Coming farther south along the west coast of Newfoundland, there is an island known as St. John island. This island, for a number of years, has been the site of a large lobster pool. The fishermen in St. John bay have now decided that they want to build a fishing establishment on this island, because part of the island has a fairly good harbour protected from the spring ice floes and from the prevailing storms. They, of their own accord and at their own expense, have provided the timber. They have had it cut and landed on site to provide the inshore establishment that will be required. They have been able to provide everything for themselves except a wharf. I believe, Mr. Chairman, that industry of this type on the part of people who want to help themselves should be rewarded. I believe, too, that they should not only be rewarded for their own work but also for the fact that industry in this particular section in which they are engaged will, I believe, turn out to be economically sound. I would hope the minister would give consideration to building a St. John island wharf that would be suitable for the use of the fishermen who will be using this island during the fishing season.

May I make a reference at this time to another fishing settlement on the west coast of Newfoundland known as Parson's Pond. Parson's Pond is a fairly large settlement as fishing villages on the west coast go, and it is composed of a fairly large number of very industrious men. The problem that exists there is, in all probability, not a very simple one. Some dredging is needed and there is cribwork needed around the small harbour itself, as well as a fishermen's wharf.

Two or three years ago the provincial government built a road down through this section which goes across Parson's Pond and it was necessary to build a temporary bridge at that time. I made inquiries of the minister and he replied that further consideration would be given to construction work at Parson's Pond when he could determine what effect this bridge would have on the flow of water from Parson's Pond out to the sea. During the coming season a permanent bridge will be built and I would think there would be sufficient information now to enable a determination to be made of the effect this bridge would have. I would recommend that the minister give very careful consideration to the possibility of marine construction at Parson's Pond.

Farther south along the west coast of Newfoundland we come to the very historic harbour of St. George's. This harbour is formed by a sandy bank which goes out from the mainland and forms a settlement known as Sandy Point. In the last four or five years storms have broken through Sandy Point and as a result what formerly formed the harbour of St. George's is now being

gradually washed away. I fear that if this is allowed to continue, in time not only will the harbour of St. George's be destroyed but there will also be a tremendous effect on the fisheries that are carried on in that particular area. I believe that the job of preventing any further erosion now would not be very expensive, but as time goes on and the gap at Sandy Point gets bigger and bigger, Sandy Point will become nothing but an island. In the long run this will be detrimental to the people of St. George's, and the harbour which has been a shelter for ships for so many years.

Last year the minister was able to initiate construction work at Codroy. I visited the settlement in the fall and I saw the work going on there. A good job was being done. I am sorry it was not possible for the company that was given this contract to resume work at an earlier period this year. During the past few months we have had particularly good weather in that section, and I believe a good deal of work could have been provided for the people if the company had decided to go ahead with the construction earlier in the year. I know there are some particular difficulties in the way here, but I would hope construction of these harbour facilities at Codroy would be resumed at the earliest possible date.

I have said before, Mr. Chairman, and I repeat that public works are particularly important in Newfoundland. I think that one thing that is of real importance is that these public works be started as early as possible in the year. The people who live in the Codroy area now are people who over the last five or six months have had no opportunity to earn any money. The result is that those who were dependent on the construction of Codroy harbour and those who were hoping to use this harbour for fishing are finding that the going is a little difficult. If this construction had been started earlier in the year it would have been possible for some men to get employment and possibly also for the fishermen to use what would be there. I would hope that this construction would be started as early as possible because it affects, not only the people in my riding but also a large number of people who live in the constituency of the hon. member for Burin-Burgeo. As in many places in Newfoundland, harbour construction very seldom concerns the one place where construction is to be completed; it also concerns many small places in a certain area. Codroy is a very good example of that.

I have had some correspondence with the minister concerning a peninsula on the west coast of Newfoundland known as Port au Port peninsula. The people who live there are essentially fishermen. Years ago they were engaged almost 100 per cent in the fishery, but with the coming of the United States air force at Stephenville a number of these men sought work in the construction of this base. Many of them have remained there. While a great many men are able to find jobs at the United States air force base at Stephenville, there are still many more who have to find employment in some other way. Those who live on the Port au Port peninsula must, of necessity, find employment in the fishing industry. I have forwarded to the minister a list of settlements on the Port au Port peninsula which are in urgent need of some marine construction. In fact, I think in one of my letters to the minister I recommended that a survey be made of the whole peninsula to determine what could be done to encourage the fishermen in the trade which they have followed for so long. I hope that the minister will be able to give consideration to these particular places. The time may come—and I know we all hope so—when maybe the world will be in such a position that we shall no longer need these air force bases. When that time comes the great centre of employment for people in this area will have been taken away, and these people will be obliged to go back to fishing.

I would suggest to the minister that careful consideration be given to this matter when construction in the various settlements in the Port au Port peninsula are being considered. A community stage program is one which I think has a great deal of merit. I know that at the moment it is only in the experimental stage. However, from what has been done so far and from the information which the minister has been able to gather, I believe that he or his successor will be able to carry on this program. Port au Port would be one place in Newfoundland—there are others, of course—where this program could well be applied.

Finally, I should like to extend to the minister my personal congratulations on his being appointed Secretary of State for External Affairs and also to extend to him my personal good wishes. I know that not only will he represent Canada with dignity and diligence but also that in the councils of the world he will earn for himself that personal respect which his own country has accorded to him.

Mr. Keays: Mr. Chairman, may I also extend my congratulations to the Secretary of State for External Affairs. I am sure that

he will bring to his new post the same dignity and savoir faire which he has brought to the portfolio of public works.

On several occasions I have made requests to the Department of Public Works, drawing to their attention the state of affairs that exists in the Magdalen islands with regard to the need for harbours and port facilities. For many years politicians have promised the construction of harbours or wharves here and there. Being one who never makes a promise except that of representing the people to the best of my ability, I do not believe that I have failed in bringing this matter to the attention of the Department of Public Works. Unfortunately, until this year few of the projects had been realized. We are grateful to the Department of Public Works for sending to the islands in October last a team of experts from the Department of Public Works as well as the Department of Transport who have, I believe, prepared a report which is quite favourable to the request of the people of my riding.

As you know, Mr. Chairman, the lot of the fisherman is a hard one. He is subject to the whims and fancies of nature over which he has no control. However, we must bear in mind the fact that he can control the port facilities so that he may be able to approach the shores or leave the shores. Can you imagine that in this age a fisherman who has no land whatever is obliged to buy a 1,600 pound horse, that he is obliged to feed it and acquire the necessary gear to attach to his boat in order to haul his boat off the sands into four feet of water. If the least adverse condition makes it impossible, then the fisherman must spend his day on the sand watching others get their day's catch. This necessarily creates much wear and tear on the boat and the cost of maintenance is exorbitant.

We know that this is 1959. We cannot conceive of a situation where methods of one hundred years ago are still in use. No one can believe that a fisherman should subject himself to such slavery. Personally, I believe it is incomprehensible. To raise their boats on the slips or to have their boats thrown on the shore are not conditions consonant with the expectations of this era. I could name places like Etang des Caps, Millerand basin and Oyster basin which are places that have been studied by the officials of the Department of Public Works. These places definitely need quick consideration and development. There is a loss in production which runs into thousands of dollars. There is the physical slavery of those who must pursue that trade.

I know it is the desire of all Canadians to alleviate the sufferings of those who are less fortunate than themselves. I am sure that the expenditure of the money that would be required could be easily justified. Economically speaking that may not be so. However, these are circumstances in which I do not believe we should consider only the economic advantage but rather the survival of twelve thousand people who wish to pursue their trade as it is the only one they know.

In the report that has been made by the department I understand that some of the projects are subject to study by the national research council. For this fact we are grateful to the government. We know that in the future no money will be spent haphazardly but that after consideration of the locality and construction a project will be built which will give long service to the people using it. I trust that the minister will take into consideration the fact that, although many requests are being made throughout the country for the study of projects by the national research council, these people who are fishermen—and fishing is their only means of livelihood—will get, not a preference above all other projects but a fair chance of having some of these projects studied.

In conclusion may I suggest this to the Minister of Public Works before he takes off on his world tours or to meet other people. I invite him down to the Magdalen islands on the week end to see some of these spots. I am sure that the scene which would meet his eyes there would touch a soft spot in his heart and result in bringing to these people the needed facilities.

Mr. Pickersgill: I am sure the minister does not want to deprive me of an opportunity of making a few observations on the first item on his estimates. Perhaps if some of the other hon. gentlemen would like to make their speeches first I could sit down and allow them to do so. The minister will recall that a year ago I took him on a tour around my constituency and that tour was to a very limited degree fruitful. I think perhaps he has lost his chance to visit Newfoundland now he has moved into higher spheres. Incidentally I do not intend to join others in their obituaries of the minister. I will wait until the flowers really are needed. In the interval I suspect the minister will go on being a politician and I want to keep my hands clean so I can attack him whenever I wish; but that is irrelevant, sir.

I feel that the minister ought to take another tour around the coast of Newfoundland, especially around those beautiful coasts north of Bonavista which was first discovered by Cabot in 1497. That, I might remind the minister, was the beginning of the British empire to which he has always been so much

attached. We could end up in Twillingate and have the best lobsters in the world if he could come right away quickly while still Minister of Public Works and on the way he could authorize a lot of wharves, breakwaters and post offices. But I will make a deal with the minister. This is one of the deals one makes which are open and aboveboard. It is open to diplomacy, openly arrived at—I hope. I make the offer to the minister that if he will undertake to draw my speech of last year to the attention of his successor—who I dare say will be the hon. member for Montreal St. James, who is so well qualified for that post—and will get his secretary first to scratch out the few places where something has been done, then I will not make the speech again today. I wonder if the minister would like to reply to that? Of course, I have not finished.

Mr. Green: Mr. Chairman, being still a politician, as the hon. member says, I have to be a little careful about these promises. However, I will be very glad to draw that to the attention of the new minister.

Mr. Pickersgill: Mr. Chairman, I have a few things to add this year. There is one thing I would like the minister to tell me when he replies, and that is whether the department has in fact any plans for developing a slipway at Bonavista about which there had been a good deal of talk at one time or another in the press. I would also like to add my support to the appeal made by the hon. member for Grand Falls-White Bay-Labrador for an increase in the vote for small works. These works are very, very valuable, out of all proportion to their cost. I would like to ask the minister, who is now going to become a real elder statesman and perhaps will be able to look at these problems as a whole and transcend that endless quarrel between the Minister of Public Works and the Postmaster General about who is responsible for the little post offices, to direct his statesmanlike mind to this question in the future and see if something could not be done for the small places where there are no premises to rent and where the kind of post offices which exist at present are really no credit to Canada at all, and see if, even though the revenues may not be very great, something can be done about them.

I would just remind the minister that the nature of the problem is this, that where the old Newfoundland government had a post office the department will replace it always without question. But where a place has grown large since that time, although the revenues in that place may come to be higher than the revenues of many of the places which were large at an earlier stage, the department has always applied the mainland rule and said that nothing would be done. This is impossible to explain to any Newfoundlander and I think it is an antiquated rule that, after ten years, ought to be abolished. I am not mentioning any of the places where I would like to see these buildings constructed because the minister has them in his files. There is only one single work I do especially want to ask the minister to commend to his successor, and that is the extension to the wharf at Newman's Cove. This has been on my conscience because it was in the program while we were still in office and it did not get done in 1957, and for one reason or another it has not been completed since. This is a very important fishing settlement where the fishery is growing and it really does need special attention. Beyond that, as I say, having lost my schooner on the very night I made that voyage around the coast last year, I hesitated to make the voyage this year and I thank the minister for what he said to save the voyage.

There is just one other thing I cannot refrain from putting on the record. Not long ago I had a letter from the chairman of a public meeting of the citizens of Deadman's Bay, and there is just one paragraph I would like the minister to commend to his successor. I will not read any of the critical parts of this letter, but I think this part ought to be on the record as a guide for the future. This is a description of what happened when we were in office. This gentleman says:

> When the Liberals had to share it—

That is to say, the labour of public works—

> —every man had his part. It was all shared alike both work and sticks.

I hope that will be done too by the minister's successor.

Mr. Green: Mr. Chairman, no matter who the minister may be, and I mean including myself, this discussion has been very helpful to the Department of Public Works.

Mr. Chevrier: Cannot you give us some idea?

Mr. Green: Considering the estimates is a very useful way of finding out what improvements can be made in the work of the department. My experience with the Department of Public Works has convinced me that it is an extremely efficient department, trying to do a job for the Canadian people. While in opposition I had the responsibility of criticizing the department from time to time, and in that way gained quite a good idea of how it functioned. I would like to

repeat again today my great admiration for the work done by my predecessor, the Hon. Robert Winters, and the deputy he took with him from his former department, Major General Hugh Young, who is still the deputy of the department. They with other officials have built up an excellent team with an excellent team spirit, and it has been one of the most pleasant jobs I have ever undertaken in my life to work with them in this department. I am sure that hon. members will find that the same attitude and the same efficiency will be shown by the department in the years which lie ahead.

After all, it is the great building department of the government services and as one hon. member said last night there will be a steadily increasing amount of work to be done. I believe that future construction by the federal government will be in excellent hands as long as the department is managed as it has been by the present officials.

I do not intend to thank hon. members again for their words of encouragement to myself. I did that yesterday. But I should like to say that I have never felt so humble as I do now having listened to all those words of praise. Last evening I got a message from my colleague the Minister of Citizenship and Immigration pointing out she could not recognize who he was they were speaking about. I must admit I felt very much the same way.

I cannot deal with all the points which have been raised by hon. members, but I should like to deal with some of them briefly beginning with the remarks made by my old friend, the hon. member for Levis. I may tell him that in the department he is considered as a fine member with whom to work and as a great friend. I would have expected that from my association with him down through the years and that is his reputation in the Department of Public Works today, after the splendid work he did as parliamentary assistant.

The hon. member commented on the fact that the estimates of the department this year are lower than they were last year. That, of course, is true, but when one takes into account the increase in the construction work being done by this department for other departments the actual money which will be spent will be almost as much as in the last fiscal year. The hon. member knows that it is not always easy to get over the hurdles placed by the treasury board. I am learning to have considerable respect for that august body. They really did very well for the department this year in view of the fact that taxes were being raised and there were many other problems to be faced.

Then the hon. member referred to the fact that we had not spent as large a percentage of the vote during the last fiscal year as had been spent in the year 1957-58. One very good reason for this was the severe weather during this last winter. That has handicapped the department in a good many of its projects. Then the hon. member asked about a possible conference with the provinces to discuss a new highway program upon the expiry of the present agreement. That agreement continues until the end of 1960, and there is no intention of calling such a conference during the present calendar year. I have had useful discussions with some of the provincial ministers. Last week I met with the minister of highways for Saskatchewan and the minister of public works for Manitoba. All the provincial governments are very much interested in what the policy of the federal government is to be, and I am hoping that next year it will be possible to clarify the situation. It is a little difficult, as I do not see how there can be such a clear-cut policy as the trans-Canada highway policy—the situation is so different in the different provinces. Possibly some policy may have to be adopted which will allow one type of aid in one province and another type of aid in another province in order to serve the national interest. We are, however, very much aware of a need for a decision on this question.

Then the hon. member for Kootenay West had several very useful suggestions to make. He emphasized the need for planning ahead and, of course, that is essential, particularly in a building department of the type of the Department of Public Works. There is a very good economics branch in the department and very useful work is being done in planning projects. Of course, efficiency can always be increased, but I think the department is doing very good work in this regard.

The hon. member also suggested that officials of the department should go around and speak at different centres across the country. That idea has considerable merit, although, like politicians, officials of the department could get into trouble by saying the right thing at the wrong time or vice versa. I do not know just how far a policy of that kind could be followed, but I do agree that good public relations are essential, and I think that is what the hon. member had in mind. He suggested, for example, that the local papers should be informed of plans involving their communities. This would be very helpful and we shall see what we can do along these lines.

Mr. Herridge: What I particularly had in mind with respect to senior officials was something strictly non-contentious, a subject

for example, such as "your federal department of public works and its organization". I was thinking that when it was convenient, and when the officials were in these areas, they might address rotary clubs or chambers of commerce or organizations of that kind.

Mr. Green: Well, those suggestions will be given mature consideration.

I do not intend to deal with the questions which have been raised on housing. They can be covered when we come to the items submitted on behalf of the Central Mortgage and Housing Corporation. But I do appreciate the comments which have been made by various hon. members.

The hon. member for Burin-Burgeo had some interesting suggestions to make. He wondered why we let out the hauling of rocks by contract rather than engage people to do it. I am not sure whether I shall be able to follow out the suggestion he made, but we will consider it. He commented on the reduction in expenditure on buildings in Newfoundland. This is because the two large buildings in St. John's are practically complete. These big buildings are the ones that cost the large sums of money. The cost of 15 or 20 small buildings would be equal to the cost of one large one.

The hon. member for Grand Falls-White Bay-Labrador said he thought there had been a plan for a succession of government buildings in St. John's once the two now under construction are completed. We are endeavouring to make the necessary arrangements for a building for the unemployment insurance commission but sufficient progress has not yet been made to go ahead with that building. The officials are not aware of a plan for a succession of buildings in that city.

Mr. Pickersgill: What about the fisheries building? That certainly was under discussion when we were in office.

Mr. Green: Mr. Chairman, that building is to be paid for by the Department of Fisheries and we are to build it. It should have been included in my remarks as a building to be constructed shortly.

The hon. member for Burnaby-Coquitlam advocated the establishment of a Fraser river authority to supervise the development of that great river. An attempt is being made to further the co-operation of the different bodies involved with the river but at the moment there is no plan for an overriding authority. That may come eventually but there would be many difficulties to be ironed out before a movement of that kind could be made.

The hon. member for Lincoln suggested that there should be a new war museum. I heartily agreed with that comment but unfortunately that comes under the Department of National Defence so we cannot do very much about it. He also referred to the temporary buildings in the capital city. That again is a difficult problem. The policy for some years has been to build permanent buildings just as quickly as possible but the government can go only as far as the funds permit and I believe we have to have a sense of proportion and distribute the money that is available, to the extent that can be done, fairly across the country. It is very tempting to build these wonderful new buildings in Ottawa right away or just as fast as possible but experience dictates that one has to go a step at a time. Eventually all the temporary buildings will be replaced.

The hon. member for Hull mentioned the need for another bridge across the river. I agree with him that this need exists. There have been difficulties in reaching agreement as to the financing for such a bridge. It would be interprovincial and I think everyone would agree that the three governmental bodies should join in the erection of such a bridge. At the moment I cannot give the hon. member any idea as to when this objective may be attained but I shall see to it that my successor is made aware of the need for such a structure.

The hon. member for Gaspe spoke of the needs of his constituency. He happens to have one of those ridings which has a very long coastline like the ridings in Newfoundland and along the west coast. We are trying to provide harbour improvements there as quickly as possible and considerable progress has been made. I must say he is a very persistent advocate of work in that riding. In fact, I find that most hon. members are becoming steadily better at the business of urging that things be done in their constituencies.

Mr. Bourget: So was the previous hon. member for Gaspe.

Mr. Green: Of course, the hon. member for Bonavista-Twillingate is a past master in this particular type of undertaking. I was somewhat afraid that he was going to take me on another tour of his riding. Perhaps that is the reason I met his request so quickly.

The hon. member for Halifax pointed out the need for consideration being given to paraplegics when constructing public buildings. I agree with his suggestion. We have just recently changed the entrance to the new public building being erected in Souris, Prince Edward Island. The officials assure me they will do the best they can to see that these

Canadians are not handicapped because of the type of entrances placed on public buildings.

The hon. member for Northumberland-Miramichi felt there had not been sufficient money spent in his constituency but I would remind him that we have just finished a public building in Newcastle which cost nearly $350,000.

Mr. McWilliam: Built by the former government, I might add.

Mr. Green: No, we put up practically all the money.

Mr. McWilliam: The contract was awarded before the election.

Mr. Green: I think we have done fairly well in this respect.

Mr. Pickersgill: Have you named it?

Mr. Green: The hon. member also referred to the bridge over the Miramichi at Chatham and wanted to know what the policy of the government is with regard to that bridge. He quoted from what I believe is his family's newspaper. In any event it is a good newspaper and the paper quoted my remarks at some length for which I am grateful. The situation there is that this bridge is not on the trans-Canada highway and there is no basis at the present time on which the federal government could share in the costs. However, under a highway policy to follow the completion of the trans-Canada highway policy this bridge would be covered if the particular highway were made part of the system which was to receive assistance from the federal government.

This is what I pointed out to the committee which met me while I was campaigning without much success in this riding a little over a year ago. I have not had a delegation from the riding visit me here. I took it from the hon. gentleman's remarks that he was under the impression that such a delegation had been here but I think that was wrong.

Mr. McWilliam: If I may interrupt with the minister's permission I would like to say that I quoted from the Chatham newspaper, the *Gazette*. I have no connection whatever with the paper, not that I would be averse to having the minister quoted at length in any paper with which I were connected.

I tried to point out to the minister at that time that I felt—and I think he will find it in *Hansard*—the reporter who covered the meeting was a little over-optimistic in what the minister said. I share the minister's view that the provincial government is responsible for the bridge until such time as a road is built which becomes a section of the trans-Canada highway.

Mr. Green: The hon. member referred to a proposed road running from Quebec through Maine into New Brunswick. The officials of the department have no knowledge of any such projected road. He also mentioned Shediac.

Mr. McWilliam: A tourist wharf. Perhaps I can tell the minister that it was a meeting of the town council and the provincial secretary-treasurer of the province of New Brunswick said that in regard to the proposal the federal government would share up to the amount of $130,000 in the construction of a tourist wharf.

Mr. Green: With respect to the proposed tourist wharf at Shediac, the town authorities and the provincial government have presented a proposal to the department whereby the construction of a wharf to improve facilities for the tourist industry might be undertaken on a shared cost basis. Our officials have carried out an investigation and the estimated cost of a suitable structure would be in the neighbourhood of $160,000 to $175,000. There is no doubt that Shediac is a very popular resort area, and tourism plays a big part in the economic life of this community. There is a small element of fishery involved as well. However, to date the department has not completed its examination of this proposal, so that no decision has been reached.

The hon. member also referred to some employees on a government dredge whom he said had been dismissed. There were no employees dismissed. There were no employees whose terms of employment were terminated. I must make it perfectly clear that employees on the dredges are hired for the summer. When they finish the work they have not any right to consider that they are entitled to come back again the next spring. In many cases they have been rehired, but there is absolutely no right to this. I really think that the members of the opposition have not very much complaint against me for the way in which I treated employees who were in the employ of the department before we took office. There might be more cause for complaint from this side of the house on that score.

I was interested in the statement made by the hon. member for Bonavista-Twillingate when he read from a letter. I have been saving a letter of reference for nearly a year. This is from Wreck Cove, Nova Scotia dated December 27, 1958.

Mr. Pickersgill: How do you spell the name?

Mr. Green: It is Wreck Cove, Nova Scotia. I do not know whether this is a name for the hon. member or not. The letter is addressed to:

Mr. Robert Muir, M.P.,
Sydney Mines,
Nova Scotia.

Dear Sir:

The work at the shore at Wreck Cove which has been under way since November 10, is just about completed.

If there had been any discrimination in connection with the employing of men on this project, you would have been advised of same before now. So, since there was none, I think it only fair to advise you accordingly.

This work, under the foremanship of Alex Smith, has been carried on in a very fair manner. All the available men in a given area were employed on this project without any consideration as to political affiliations.

We want you to know, as well as Mr. Smith, that we deeply appreciate the fairness shown in employing men at Wreck Cove.

Wishing you the compliments of the season, I am

Yours truly,
Norman J. MacAskill
President, Victoria County Liberal Association.

It is really dangerous to read that letter in the committee but I did so simply to prove that while we may not have been perfect, we have done pretty well.

The hon. member for Trinity-Conception said he wished me to smell the flowers while I was still able to do so. I greatly appreciate that remark. He also dealt with the trans-Canada highway in Newfoundland. I agree that there is a special problem in that province in connection with this highway, a problem which will have to be dealt with as a separate one.

The hon. member for Charlotte spoke of the Campobello-Lubec bridge. As he pointed out, the governor of Maine has now signed a bill authorizing that state to participate; therefore, we shall be getting ahead with the construction in the very near future. The real credit for this bridge goes not to the Minister of Public Works, but to the hon. member himself who has been most helpful and, of course, most persistent in getting action on this bridge.

The hon. member for Laurier raised a very important problem in connection with the opening of the seaway and the development of the lower St. Lawrence river. We all realized that the seaway would bring tremendous changes to this part of Canada; in fact, to a very large part of Canada, but I do not think any of us realized just how extensive those changes would be. The department has done a great deal in the way of making plans for new harbours, various other projects and in the lower St. Lawrence, but I have reached the conclusion that a great deal more will have to be done. This seaway development is going to be of even greater importance than most of us expected.

The Deputy Chairman: I am sorry to advise the minister that his time has expired, but I assume the committee will give him unanimous consent to continue.

Mr. Pickersgill: For the last time.

Mr. Green: Mr. Chairman, I am very grateful to hon. members for giving me extra time. We have an excellent team in the government service which was set up, incidentally, by my predecessor, a team consisting of officials from the Department of Transport and the Department of Public Works, and on occasion representatives of other departments are called in as well. In my time in the department this team has done excellent work, visited many centres in Canada and along the seaway. They have investigated conditions at Kingston, Brockville, Morrisburg, Prescott, Cornwall, Dorion, which is in Quebec, Collingwood, Ontario, the lakehead harbours, Midland, Oshawa, Port Colborne, Sarnia, Sault Ste. Marie, Whitby.

Mr. Martin (Essex East): And Windsor?

Mr. Green: Oh, we have a very detailed investigation for Windsor. Then, there is Riviere du Loup, Pointe au Pere, Pointe au Pic, Rimouski, Matane, Chandler and Gaspe. And further investigations will be made. There is a great deal of money to be spent on these developments.

The hon. member for Laurier referred to the lakehead. We are just getting the contracts let there, the first contracts, and there is to be about $7.5 million spent.

Mr. Chevrier: There was great dissatisfaction there about two weeks ago when I was up.

Mr. Green: I really do not understand why there should be dissatisfaction because we are moving right ahead with this program, and it is going to be very expensive. I believe it will meet the needs of the lakehead cities.

He asked also about the work being done in the lower St. Lawrence, and I have here the figures for that. There has been about $5 million spent there in the last four years on the different developments, such as Baie Comeau, Pointe au Pere and so on. There will have to be more money spent there, and we shall try to keep abreast of the business developments.

The hon. member for Moose Jaw-Lake Centre referred largely to housing matters and I shall answer his questions later in the afternoon.

The hon. member for Grand Falls-White Bay-Labrador advocated small works in small places. I agree with him that there is more

satisfaction to everybody in works of this kind than in the big projects because they mean so much to the people who live in the small communities. The department has tried to keep this thought always in mind, and we will have a look at the proposal that there should be more winches and small landing wharves. Several of the Newfoundland members dealt with the policy of constructing community stages which is shared by the Department of Fisheries and the Department of Public Works. I am very glad that this policy has proven to be successful. We have our work cut out for the current year, but we shall certainly have a look at the possibility of extending that plan.

Mr. Pickersgill: I wonder if the minister would permit me to ask one question at this time? Does the minister think it would be possible to line up these projects early enough to permit the timber to be cut in the fall and construction started early in the spring? This would make a great deal of difference to the whole economy of Newfoundland.

Mr. Green: It is the intention to do that from now on. We ran into difficulty last winter when it was not possible to do the work because of the winter weather.

Then the hon. member also mentioned trouble between the Canadian National Railways and the Department of Public Works in connection with harbour improvements at Woodstock, Newfoundland. Our version of this trouble is that the Canadian National deserves all the blame.

Mr. Chevrier: Where is the Minister of Transport?

Mr. Green: The Minister of Transport just left the house. Perhaps the hon. member could ask him about that particular project.

The hon. member for St. Boniface dealt with the need for building houses with bomb shelters. This is a new idea which we could have Central Mortgage and Housing investigate. One never knows what will have to be done in these days, and it may be that some policy along this line will have to be adopted.

The hon. member for Gloucester asked about three different projects, and I have reports here on all of them. In so far as the wharf at Maisonnette is concerned, the department has been considering various methods of improving harbour facilities for the fishermen at Maisonnette for some time now. However, its location has made our problem quite difficult in that the obvious manner of improving conditions would include dredging where the bottom is composed of rock. If we could only find a harbour bottom composed of mud, it would be much simpler to get this work done.

Maisonnette is situated on the south shore of bay Chaleur between the two harbours of Blue Cove and Caraquet where good facilities are presently maintained. The department carried out improvements at Blue Cove last year and received tenders on June 3 for a large reconstruction project at Caraquet.

The existing facilities at Maisonnette constitute a high water landing only. Even a 200-foot extension to the outer end of the existing wharf would only provide 2½ feet of water and this would be of little value. Any dredging along such an extension would be costly and involve considerable rock blasting, possibly endangering the structure. The minimum work which could be considered of real benefit would include dredging a 50-foot wide channel and a basin adjacent to the wharf. The estimated cost of this would be about $160,000 and in rough weather it would not afford very good protection for boats. The capital outlay required to provide improvements appears large when compared to the benefits to be derived. Nevertheless, I understand there has been a growth in the fishery in this area and the department is continuing its investigations as to the best method of improving the facilities. The federal Department of Fisheries is going to undertake a review of the economic conditions and future prospects. When the results of their study are known, we will be in a better position to assess the merit of the proposal for improved facilities at Maisonnette.

The problem at Maisonnette is not simple and does involve large capital outlays. I might refer to recent attempts by local fishermen to improve their lot. These fishermen got together and hired a bulldozer in order to cut a channel through the sandbar located close to the existing wharf so they could have more protection for their boats. However, I understand the sand movement caused the cut to fill in as quickly as it was bulldozed. These fishermen are to be highly commended for their initiative and efforts in this regard, and it is regrettable that these efforts were not more successful.

In so far as Tracadie is concerned, I may say a preliminary study of this project has been made. The results indicate that a much more comprehensive investigation will be required before the department will have sufficient information on which to base a decision. The assistance of the national research council has been sought and they have visited the location to determine what additional data is necessary for their work.

Either a mathematical analysis of conditions at the entrance to this harbour or a model study will be required. It may be necessary to request the Canadian hydrographic services people to carry out a complete sounding survey of the area.

The department maintains a wharf at Tracadie village, and I believe the fish landings at this structure have been maintained at a good level over recent years. Our problem at Tracadie concerns the entrance to this harbour, which is actually known as Tracadie gully and is only a channel running through two sand beaches. Years ago a considerable expenditure was made to protect this channel but, of late, indications are that nature is having its own way and the channel is being maintained without our help.

We are examining the need for: (a) removing the north breakwater; (b) constructing a causeway between the beach and Pointe Bouleau; and (c) the need for developing a deep draft harbour. The investigation to date indicates the cost of removing the ruins would not be commensurate with the benefits to be derived, and until the results of all studies are available no decision can be made on the other portions of the proposed work.

Then, the hon. member mentioned the building at Shippegan, New Brunswick. The department is considering a building for 1960-61. This would house the post office, fisheries and the unemployment commission and would require about 2,000 square feet of usable space. The item has not been placed as yet before our accommodation committee in the department nor is it in the planning vote. No site has been obtained. He also referred to the causeway to Prince Edward Island and asked about the report.

Mr. Robichaud: I think it was the hon. member for Northumberland-Miramichi.

Mr. Green: I gave a report when I opened the estimates on May 21. I was somewhat startled to see this big heading in the *Guardian* of Charlottetown of May 26: "Green Causeway Report Big Bluff" says premier. I think the premier of that province has been a little bit rough with us in connection with this proposal. Quite large sums of money have been expended on getting a report from consultants. As I pointed out two weeks ago, the report has been in the hands of our departmental officials for a matter of only two or three weeks.

The consolidation of the consultants' report, along with the reports on costs of remedial works, land damage and detailed report on the geographical survey, shore line, ice conditions and detailed tidal survey with prediction of the changes in tidal conditions resulting from construction of a causeway is now virtually complete within this department. These reports will be forwarded to the other government departments concerned for their review within the next week. It will take a little while to have the reports studied by the various departments but there is actually no delay in connection with this project and there is no intention of having any delay.

The hon. member for Joliette-L'Assomption-Montcalm I think urged a change in policy with regard to protection walls. The department builds these walls where the erosion is caused by navigation or where walls have been built previously by the federal government. We have done our best to do this work on a fair basis. Hon. members will know better than I can tell whether or not we have been successful in that effort.

The hon. member for Humber-St. George's in his very thoughtful remarks stressed early construction, as did the hon. member for Bonavista-Twillingate. He also dealt with the possibility of United States air bases being closed, with the result that the fishermen would go back to their former occupation and would require these facilities. We are sympathetic to the needs of the fishermen in Newfoundland. It has an extremely long shoreline with a scattered population, with people living in very small centres. Every effort will be made to meet their requirements. I was glad to hear the kind words that have been expressed about the officials of the department in Newfoundland.

Mr. Pickersgill: There are not quite enough of them.

Mr. Green: The hon. member for Ile-de-la-Madeleine gave us an interesting picture of the situation in that part of Canada which is cut off from the mainland and from what I understood has a very sturdy type of citizen. We had a survey made there by our interdepartmental team. The report they brought back was not only a good one but it was good reading. It was extremely interesting, particularly to one coming from the west coast where the conditions are completely different.

There are certain works on the Magdalen islands which are to be studied in conjunction with the national research council. They consist of Oyster pond, Portage du Cap and Etang des Caps.

As to Oyster pond, an amount of $500 was authorized on May 13 of this year for current survey work to be done by district officials. This is to obtain preparatory information for the further study by national research

council. The problem at this place is to effect an entrance into Oyster pond. The national research council are to study the effects of the littoral drift problem in order to determine what different possible entrances may be affected. If, in the preliminary investigation, it is indicated that construction would be warranted and a model study is indicated, this will be undertaken by the national research council.

With regard to Portage du Cap and Etang des Caps, the problem here is to arrange some means of getting the fishing craft from their hauled out position on the shore into the water. Again, this is a matter of studying the littoral drift to determine if any effective means of launching and withdrawing the boats from the water can be built, other than what would be required to build a structure extending out into deep water. Such a structure would be very long and would be of excessive cost. It is in an effort to build something within practical economic limits that the assistance of the national research council has been requested.

In addition to the above works, studies have been undertaken by district officials at Havre Aubert for the development of a protected harbour. An amount of $2,000 was authorized on May 4 of this year for this study which includes soundings and borings.

Finally, the hon. member for Bonavista-Twillingate was very kind this afternoon. He did not go into details of any extent. He asked for a shipway at Bonavista.

Mr. Pickersgill: A slipway.

Mr. Green: A shipway.

Mr. Pickersgill: If the minister would like to build a shipway that would be all right.

Mr. Green: A slipway. Under miscellaneous works there is an item for this year of $14,950.

Mr. Pickersgill: That is good.

Mr. Green: As to Newman's Cove, an item for wharf extension was considered for the 1959-60 estimates but was not approved. It is still in our planning program for 1960-61. No building is being considered or requested there apparently.

Mr. Pickersgill: No building is what?

Mr. Green: No building is being considered or requested at that particular community.

Mr. Pickersgill: I did not suggest there was. It was an extension to the wharf there in which I was interested. I hope that any difficulties there have been may be overcome in the case of that particular wharf and that the minister will give a big recommendation to his successor.

Mr. Green: One of the hon. members referred to Glenwood. There a small 600-foot building would hold both the post office and the Canadian National Telegraphs.

Mr. Pickersgill: Could I ask the minister if that is Britannia or Glenwood?

Mr. Green: Glenwood.

Mr. Pickersgill: Then that is the hon. member for Grand Falls-White Bay-Labrador.

Mr. Green: This is under consideration for winter works but I cannot give any definite assurance as yet. Mr. Chairman, I think that covers most of the questions raised by the hon. members, and I would be glad to deal with any other items when we are considering them.

Mr. Chevrier: I wonder if the minister and the house would allow me one word before this item passes, because I am sure the house has given careful consideration to the administrative item concerning the minister's department. What prompts me to rise again are two matters. First, I think it was very fitting of the minister a moment ago to pay tribute to his officers upon his departure from his department. I think it is a nice gesture on the part of the minister who is about to sever connections with his department to refer to the close association which he has had with trusted officers in the department. I would like to add, if I may, a word to what the minister has said and to recall to the house the names of three of the officers who have been closely associated and connected with his department.

When I came to Ottawa, I am almost sorry to say 25 years ago—sorry because of the length of time—the then deputy minister of the Department of Public Works was James Hunter. He was, as the minister may recall, a very efficient and competent deputy minister. He held that office for many years. He was exceedingly sympathetic to representations made by members of parliament from all sides. He knew his department thoroughly. He took decisions with dispatch, and he was, I believe, all in all a very satisfactory and highly regarded public servant in the department. So much so was that the case that I believe that was one of the reasons why the building which now houses the Department of Public Works bears the name of the late James Hunter. I think I would have been remiss had I not risen to pay this tribute to him, not only because of my personal association with him over many, many years, but also because of the excellent reputation which is still associated with his name in the department.

After he left he was succeeded, I believe, by Mr. Emmett Murphy. As the house knows,

Mr. Emmett Murphy is now quite ill in a hospital in Ottawa. He is a graduate of Queen's University, an engineer of talent who had been associated with the work of the construction of the Welland canal and who, particularly during the war years, did a commendable job in the department of munitions and supply and I believe afterwards in the department of reconstruction. In his later years he became deputy minister of public works, and he did during the time that he was in office a very commendable job. The minister has referred to his own deputy minister, and I will not add to what he has already said.

The minister was also kind enough to pay a special tribute to his predecessor, the Hon. Mr. Winters, whose name has been mentioned on two or three occasions as being a minister of very high calibre, and we on this side of the house thank the minister for the reference which he made to the efficiency of his predecessor, indeed a minister of great talent.

I would also like to refer to another minister with whom I sat in the house for many years and who, like the Minister of Public Works now, held the position of house leader for a long time. That was the Hon. Alphonse Fournier, the former member for Hull, who is now a member of the Exchequer Court of Canada. While I was not in the ministry when he was sworn in—I came in later—I know of the tremendous amount of work and painstaking care which he gave to the duties that were entrusted to him, and I felt that on this occasion the minister would not mind if at this stage I said a word about his devotion to duty.

Now may I just take another few minutes and I will resume my seat. I would like to tell the minister that I think on the whole he is adopting the right attitude in so far as port development and port facilities are concerned. But what I have great fear of is this. I do not think there is the over-all planning that there should be. It seems to me that when the planning is entrusted to two and three departments there is bound to be some confusion. In the first place, I think there should be—I do not want to repeat what I said earlier—an economic survey of the whole area from the lower St. Lawrence right up to the head of the lakes. I also think that the minister or his successor should entrust the house with the plans that the department has for the development of these ports. It is a nice thing to be able to say that $5 million is spent here, $8 million spent here, and $10 million spent there. That looks good, but having regard to the movement of the traffic, I do not think anybody quite knows just how the traffic is going to move. I realize it is not an easy job and that is why it seems to me that there must be a planning of works in these ports in conjunction with an economic survey. Where is the traffic going to move? What kind of traffic will it be? The plan that the minister has should jibe with that which the Minister of Transport has or the national harbours board; otherwise there is bound to be confusion.

Let me remind the minister of what he used to tell me when I took up my estimates in the Department of Transport concerning the national harbours board and the port of Vancouver. I remember I used to come down with the estimates concerning Vancouver and cite large amounts. The minister was grateful for the amounts which went for port development and port facilities in the city of Vancouver, but repeatedly he would come back and say, "I want to know what the plans are for the future in the city of Vancouver", and he had every right to demand them. We on this side of the house will not insist unduly about that, but I wonder whether the minister would be good enough to bring this to the attention of the gentleman who will succeed him, because this is a matter which cannot be done over a period of months. It is a matter which must take time. All of us are interested in this problem, and I am sure no one is interested more than he and his officers. Everyone must realize that there has to be an over-all plan and that that plan must fit in with those of the various departments. I just give that in conclusion as another thought which I trust the minister will give attention to.

Mr. Green: I would like to join in the tribute that the hon. member has paid to the other Canadians who have taken such a great part in the work of the department. His proposal for a larger, broader kind of plan with regard to the whole seaway area will certainly be given consideration, and I will take care to draw it to the new minister's attention.

Mr. Martin (Essex East): Mr. Chairman, there is one matter I would like to bring to the attention of the minister in his capacity as Minister of Public Works. However, before doing that, this is the first opportunity I have had from my seat in this house to say to the hon. gentleman that I would like to offer him my very sincere congratulations upon his having been selected by the Prime Minister to succeed the late Dr. Sidney Smith as Secretary of State for External Affairs. The hon. gentleman, the hon. member for Royal, the hon. member for Laurier, and I are the only members of the class which came here in 1935. Excuse me, I have omitted a future postmaster general the hon. member

for St. Denis. We five are the only ones of that class now in the house. On this account each of us feels he has a special relationship with the Minister of Public Works. I wish to tell him, sincerely, that I hope he will be happy in his new assignment. I know he will bring to it qualities of integrity and honourable approach. I sincerely trust he will be able to make a contribution to good relations between Canada and other countries in these difficult days.

I hope that as Minister of Public Works he will give me ready co-operation in a matter about which I now intend to say a few words. The minister spoke earlier in the day about the satisfaction he derived from smaller works in smaller places. It is about one of those works that I wish to say something. I have here a long petition which comes from a group of my constituents who live in the township of Rochester near the village of St. Joachim, Ontario, in the riding which I have the honour to represent in this house. The petition has to do with the river Ruscomb and its outlet at lake St. Clair. This is a matter which was looked into in the middle of February by the department at my request. The department caused a survey to be made, and the district engineer made a report on that occasion which I think on the whole gave strong support to the request made by my constituents.

The petition has to do with properties which are located on the Ruscomb river approaching the mouth of lake St. Clair, including Rochester beach, what is known as the Renaud subdivision, the Tellier subdivision and certain other areas along both sides of the river Ruscomb.

There has to be some deepening of this river and some work at the mouth touching lake St. Clair. This is not a matter which will involve much expenditure, but as an indication of the constructive way in which my constituents have approached this matter, may I say that they have put forward the idea that this might be a joint operation in which the province of Ontario could participate. They hope that the river Ruscomb outlet may be cleaned and deepened, thereby saving the banks and generally providing a satisfactory approach to historic lake St. Clair.

I would be very grateful if the minister could give this matter his consideration, and I hope this will be one of the hon. gentleman's final acts as Minister of Public Works. Other hon. members have suggested that he should recommend strongly to his successor that this or that action be taken. I would ask him, on the merits of this particular case, to make a favourable decision himself and give my constituents the opportunity of remembering that as a result of the intervention of their member they received from the man who was minister of public works, now Canada's Secretary of State for Foreign Affairs, the rectification of this situation in a way which I believe the situation warrants.

Mr. Pickersgill: And it is an international water.

Mr. Green: I will certainly undertake to look into it.

Mr. Caron: A while ago the minister said that the bridge is a project to be undertaken by the three governments. But one question which I put to him was not answered. From 1955 to 1957 the minister of public works of that day took the initiative in order to try to bring all the governments together with regard to this matter. Would the minister not do the same and take the initiative in an effort to reconcile the views of the governments concerned? I do not know whether he would succeed. I know that the premier of Quebec might be just as difficult for our future Minister for External Affairs to deal with as Mr. Gromyko or Mr. Khrushchev. Now that he is in diplomacy, the hon. gentleman may succeed.

Mr. Green: I would point out that the efforts of my predecessor were completely unsuccessful, so perhaps a different kind of approach is necessary. I would not like to have the impression go out that the premier of Quebec is as difficult to deal with as the two others to whom the hon. member has just referred.

Mr. Bourget: Could the minister tell us what has been the increase in the number of employees in the department since July, 1957?

Mr. Green: In the fiscal year provision is being made for an increase of 67 in the number of employees in the department.

Item agreed to.

322. New Brunswick, $490,000.

Mr. McWilliam: Does this vote include the crash program for all public buildings or does that come under another vote?

Mr. Green: No, that work is done under miscellaneous works.

Item agreed to.

323. Quebec, $5,931,000.

Mr. Bourget: Has any progress been made regarding the post office in Quebec city.

Mr. Green: Architects are at present working on the plans and we hope to call for

tenders in the month of November or thereabouts. There are still some difficulties to be ironed out between the city and the C.N.R. with regard to the site. As the hon. member knows there has been a great deal of trouble about getting a site.

Mr. Bourget: When I was in Quebec last week I saw the old station still standing on the site proposed for this new post office. I wonder if borings have yet been taken.

Mr. Green: Borings have not yet been completed. They are being done by the department.

Mr. Dumas: Under this heading I wonder if the minister could give me some information. At page 425 I see there is an amount of $200,000 voted for improved accommodation for government services in Rouyn.

Mr. Green: Mr. Chairman, the plans are about 80 per cent completed. We hope to call for tenders in about two months.

Mr Dumas: This is in addition to the post office building, I suppose?

Mr. Green: Yes.

Mr. Dumas: Has the government purchased the land for this building?

Mr. Green: The site has been selected and surveyed and at the present time appraisals are being taken to determine the value.

Mr Dumas: So the land has not been acquired yet?

Mr. Green: No.

Mr. Denis: I am not jealous about the other provinces but I see that most of the provinces have a slight decrease under this item whereas the province of Quebec receives $6 million less than last year. I wonder if the minister could explain why this decrease is so large compared with that for Ontario? Ontario receives almost the same amount as last year. Is it because we do not need any more public buildings in the province of Quebec? There must be a reason that does not appear in the estimates.

Mr. Green: The reason is because of the completion of some very large buildings in the hon member's own city. If he will turn to the harbours and rivers vote he will find that the vote for Ontario is being decreased by nearly $6 million.

Item agreed to.

324. Ottawa, $16,505,000.

Mr. Bourget: I wonder if the minister could say something about the repairs made to the Jackson building? This may come under another item but I wonder if we could discuss it now.

Mr. Green: On Saturday, October 25, 1958, at about 8.20 a.m., an explosion occurred in premises located at 246-48 Slater Street. It is alleged to have resulted from the ignition of natural gas which had escaped into that building. The crown-owned Jackson building, situated directly across the street from the explosion, suffered great damage. The structural frame was unharmed but practically all windows and doors, practically all interior partitions and the majority of the lighting fixtures and building fittings received maximum damage. The contents were also severely blown about. Fortunately, there was no loss of life or severe injury in the building. If the blast had not occurred on a Saturday morning there might have been hundreds of people killed or seriously injured.

The damage was such that the building was uninhabitable. The three departments who occupied the building were housed elsewhere; the income tax branch in the trade and commerce building, the headquarters of the Department of National Health and Welfare in the Copeland building and the civil service commission in No. 1 temporary building. To bring the building back into use as quickly as possible, the remedial work was divided into four phases to allow planning for the occupants to go forward while repairs to the fabric to the building were being effected.

Phases 1 and 2 have been completed. In these contracts the exterior and interior fabric of the building was renewed and space on the lower three floors was prepared for the income tax branch. They occupied the building during the last week of March.

Phases 3 and 4 will complete the renovation of the building and the building services, and the preparation of the upper floors for the use of the civil service commission and the Department of National Health and Welfare. These latter two departments are scheduled to reoccupy the building in October.

An information has been filed in the Exchequer Court of Canada, naming as defendants the Consumers' Gas Company, who distribute natural gas in Ottawa; Addressograph-Multigraph of Canada, Limited, who were tenants in the building where the explosion occurred; and the Lumor Interests Limited, who were owners of the same building. We are claiming from them damages in the amount of $1,220,820, as well as the costs of the action and such further and other relief as the court may deem meet.

I might say that the property and building management branch of the department did a wonderful job at the time of the accident. They did a splendid job in quickly housing these different governmental branches. The explosion occurred on Saturday and provision for temporary accommodation was made for Monday morning. It was an outstanding piece of work.

Mr. Bourget: What is the total cost of the repairs?

Mr. Green: It is estimated that the cost of the repairs will be about $860,000 to which must be added the cost of damage to furniture and equipment.

Mr. Bourget: Were the contracts awarded after negotiations with two or three contractors or were tenders called for the work at each phase?

Mr. Green: Quotations were obtained from five firms for the emergency repair work which had to be done at once. The other and far more expensive part of the reconstruction has been done following tendering.

Mr. Bourget: May we have the names of the five firms with which negotiations were made?

Mr. Green: I will have to send for that information.

Item agreed to.

329. British Columbia, $1,950,000.

Mr. Herridge: I want to bring to the minister's attention something brought to my attention last summer. I made a point of visiting both buildings. I refer to the unsatisfactory state of ventilation in the Trail and Nelson new public buildings which are both very excellent. I understand this is about the only deficiency concerning which complaints have been received. The postal officials in the Nelson building took me down to where they sort the mail and for two hours I watched them sort it. I was amazed at the amount of lint that comes from the bags, gets into the air and is not carried away. I thought it was a most unsatisfactory state of affairs and a poor environment for postal employees to work in. I would ask the minister to have that situation investigated. I think they have a just complaint about those lint particles floating in the air. They complain of coughing, throat troubles and things of that sort.

In addition, I should like to ask the minister whether consideration has been given to installing air conditioning in those buildings? There have been particularly strong demands from persons who have to occupy the building at Trail. As the minister knows, this is a particularly hot place in the summer because of the lack of surrounding tree cover, and so on. In this respect it differs from other parts of the district.

I have one other question. I know that the estimate does not come within the minister's jurisdiction but his department undertakes the construction of headquarters for the Royal Canadian Mounted Police when it is required to do so. I notice that with respect to the Crescent Valley headquarters no expenditure of money was made in 1958-59 but there is an estimated expenditure of $35,000 for 1959-60. Can the minister explain to the committee just how that program is being undertaken?

Mr. Green: The difficulty in the post offices at Nelson and Trail may be caused by faulty ventilation, or it may be a question of the post office equipment. Apparently the Post Office Department is responsible for normal cleaning equipment. However, the officials will look into the situation in both these buildings. Was the hon. member for Kootenay West referring to Pleasant valley?

Mr. Herridge: Crescent valley. The public address system is most unsatisfactory. The *Hansard* reporters cannot hear us at times. I was referring to Crescent valley, just below the main headquarters of the Sons of Freedom.

Mr. Green: This particular headquarters is included in the R.C.M.P. buildings for this year, but apparently no work has been started on it as yet.

Item agreed to.

331. Improvements generally—

Not more than $25,000 to be expended on any one project without the approval of treasury board, $700,000.

Mr. Pickersgill: I should like to say that I think the minister did not entirely understand my reference to small buildings for post offices. I said I was not going to mention any names because they were in the minister's files. He suggested he did not have any names. If he has any doubt about whether he has them in his files I would be glad to repeat the information, although I will not take the time of the committee to do it here. There are several places.

Mr. Green: They must be in the files. I did not understand the hon. member's question.

I have further information with regard to the R.C.M.P. headquarters at Crescent Valley. Tenders will be called within the next two weeks for that building.

Mr. Herridge: Thank you very much.

Mr. Bourget: Will the minister give us a breakdown for Ottawa of what has been spent

out of that $400,000 and a breakdown by provinces? I do not want it for everything, just a breakdown by provinces.

Mr. Green: The expenditures under this vote last year are as follows: Halifax, $9,-833.95; Prince Edward Island, $900; Saint John—this will be for the province of New Brunswick; Halifax will be for Nova Scotia—$25,040.10; Quebec, $3,504.30; Montreal, $10,-009; Ottawa, $136,783.30; Ontario, $10,953; Winnipeg, $19,706.43; Saskatchewan, $14,-621.98; Alberta, $28,597.79; Vancouver, $35,-675.10; total, $295,634.95.

Item agreed to.

Mr. Pickersgill: Mr. Chairman, just before you leave your seat, I think there was a general understanding that the committee would be prepared to resume, but I presume you have to leave the chair.

The Deputy Chairman: It being five o'clock, it is my duty, pursuant to section 3 of standing order 15, to report certain resolutions and request leave to sit later this day or at the next sitting of the house, as the case may be.

Progress reported.

Hon. J. W. Pickersgill: On a question of privilege, Mr. Speaker, I wonder whether you might ask the house for unanimous consent to go right back into committee in order to save as much time as possible to help the minister get through his estimates.

The Acting Speaker (Mr. Rea): It is my understanding that there is unanimous consent to suspend the hour for private and public bills.

Some hon. Members: Agreed.

SUPPLY

The house in committee of supply, Mr. Rea in the chair.

DEPARTMENT OF PUBLIC WORKS

Harbours and rivers—

Engineering services—

Acquisition, construction and improvements of harbour and river works—

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

335. Newfoundland, $4,128,200.

Mr. Pickersgill: Vote 335, of course, as the minister realizes is the most important vote in the whole of the estimates for his department. I am not going to make belatedly the speech I might have made earlier, but I do want to ask the minister two questions because I am sure there is a great deal of interest in these two subjects. The first is, is the minister now fully satisfied that the harbour at Port aux Basques is entirely satisfactory? The second question is, can the minister tell us, very briefly, what progress is being made in harbour development at St. John's?

Mr. McGrath: I omitted to mention on the general item, Mr. Chairman, the fact that it has been decided to locate community stages in the easterly part of St. John's harbour known as the battery. This decision was reached because of the importance of this area as a fishing centre. It is not generally realized that there are over 200 fishermen actively engaged in fishing out of St. John's, and who contribute a great deal to the economy of the city of St. John's. The majority of these fishermen are located in that part of the harbour known as the battery.

My point is that they have no facilities there, and there have not been any facilities for fishermen at that location down through the years. In view of this fact the Department of Fisheries, and the Department of Public Works, in their wisdom, decided to locate community stages there. This part of St. John's harbour is not part of the city of St. John's and is not serviced by the municipality. I wonder, therefore, if the minister and his officials would give consideration to conducting a survey to ascertain what facilities might be provided in addition to the community stages to facilitate the fishery in this important part of St. John's. I am thinking of such facilities as a fisherman's wharf, some sort of breakwater to protect the boats and the gear of the fishermen.

The other point I should like to make now, Mr. Chairman, is that in view of the work that is currently being undertaken at Bell island with respect to the extension of the wharf and the erection and construction of a new warehouse, and bearing in mind the fact that a new ferryboat is now under construction to service Bell island, would the minister and his officials take into consideration for next year's estimates the provision of a breakwater at Bell island which would provide a basin for shipping and provide artificial harbour facilities? It would provide also a very much needed breakwater to project the ferry landings at Bell island.

Mr. Green: With regard to the harbour at Port aux Basques, it would be a very bold or foolish minister of public works who would say that everything is as it should be in that harbour. The dredging is not yet quite

completed, and it will require a year or two in order to be sure that the harbour is now in good shape.

Mr. Pickersgill: Are the breakwaters finished?

Mr. Green: Yes, the breakwaters are finished. In so far as harbour development at St. John's is concerned, I gave quite a full statement on that on May 21 and it can be found at page 3914 of *Hansard*. There is nothing to be added.

Mr. Pickersgill: I was out of the house at the time, and I apologize to the minister.

Mr. Green: There is nothing I can add to the statement, except to say that the three contracts have been awarded and the work is actually in progress on two of them. The third tender has only been awarded within the last few days and it will be about a month before the work actually commences.

My officials tell me that the department will be able to make those surveys which the hon. member for St. John's East has requested, and we will look into his suggestions.

Item agreed to.

336. Nova Scotia, $5,150,500.

Mr. MacEwan: I have just a few remarks to make on this item. The matter which I have to discuss is one which is already within the notice of the minister, but I thought at this time there might be a few facts which I should place before him.

The county of Pictou, the riding which I represent, has been very well treated by the minister since I have been a member. This year we have various types of projects going ahead in areas like Cape John, Pictou, Skinner's Cove, Caribou and Bailey's Brook. The matter I should like to bring to the attention of the minister is one that was mentioned some time ago, that is the matter of a breakwater at Little Harbour. There are many little harbours throughout Nova Scotia, but there is one in which I am particularly interested. I have been informed by the minister's department that borings will be taken later this summer in the area to ascertain the type of situation there in order to make a fair estimate of what a breakwater would cost.

My personal knowledge of this area indicates that this is the only place along the Northumberland strait which is not provided with the necessary facilities for fishing. I visited there in May of 1958 and at that time added to my personal knowledge of the area. What is particularly important is that the fishermen use the only harbour, known as Black point, and in order to enter the harbour they have to pass over a shallow stretch of water. Perhaps like the hon. member for Bonavista-Twillingate I could make an agreement with the minister that if a breakwater is not possible in this area, probably dredging would be the alternative. This is something which will have to be carried out in a few years. A breakwater might be the most reasonable in this location.

The area which has been suggested by the fishermen for this construction, and in which the department is carrying out test borings, is known as Roaring Bull point. I would bring that to the attention of the hon. member for St. John's East to indicate that there are picturesque names throughout the east other than in Newfoundland. From my personal knowledge, as I have said, I would say it is necessary to construct a breakwater in this area in order to give the fishermen a place to keep their traps and help out generally with the fishing in that area.

The fishermen there are of the best type. If the Minister of Public Works will take cognizance of the statistics recorded by the Department of Fisheries he will find there are approximately 12 boats in that area. The lobster catch especially is as high as in many areas in which there are larger numbers of boats and in which a great deal of money has been spent on the construction of breakwaters and other things.

In addition, I have made representations about Pictou Landing where repairs are necessary to the wharf. The P.E.I. Produce Company, which is a pulp company, has been taking ships in there for a few years. It is expected that they will have a good year this year, and I am told repairs are necessary for that. This company is also looking into the matter of building a fair sized sawmill in the area for their overseas trade. This makes the repairs to the wharf even more necessary.

I do not expect the minister will reply about the Little Harbour area. We will wait and get the results of the borings, then we will have the technical information necessary. I just put that forward as being the only area in which I have requested anything new in this constituency. I hope consideration will be given to it.

Item agreed to.

338. New Brunswick, $4,388,000.

Mr. McWilliam: Under this item under harbours and rivers and engineering services, the total amount for the province is $4,388,000. When I spoke on the general item in this regard the minister referred me to the large amount of money that was spent at Newcastle for a federal public building. I wish

to point out to him that while we appreciate that, nevertheless it is of no benefit to the fishing industry. In the details at page 442 we find three items in this group. One is Escuminac, breakwater repairs, $59,000; another is Lower Newcastle, wharf repairs, $26,500; and the third is Newcastle, wharf repairs, $70,000. Of these three items, there is only one, namely Escuminac breakwater, which will be of any benefit to the fishermen on the Miramichi.

I just urge the minister again to take another look at the matter and to recommend to the minister who will take over his portfolio and to urge upon him that he make a survey of the fishing facilities required on the Miramichi in order really to improve the Miramichi fishing industry. I would suggest that he act in co-operation with the Minister of Fisheries. There is a need, I would say, in many cases not for large works but for small landings or small dredging operations which would assist the industry and also assist the fishermen.

Item agreed to.

339. Quebec, $5,757,900.

Mr. Leduc: For many years the Maniwaki council and board of trade have asked for a wharf to be erected or built on Riviere Desert, Maniwaki, Quebec. Lately the chairman of the board of trade of Maniwaki announced at a meeting that the public works department would this year build this wharf. Can I get from the minister whether this is really the truth?

Mr. Green: The officials are not aware of any vote for that project. Would there be any other name under which it would come?

Mr. Leduc: No; Riviere Desert.

Mr. Green: At Maniwaki?

Mr. Leduc: Yes.

Mr. Green: An amount of $5,000 is provided in the miscellaneous works vote for a wharf at Maniwaki.

Mr. Bourget: There is an item here for $135,000 for wharf improvements at Riviere du Loup. Can the minister tell us what will be the total cost of wharf improvements at Riviere du Loup and what kind of design will be used to improve the wharf? May I ask the minister whether sheet piling has been used there—that is what I wanted to know—or whether some other design has been used.

Mr. Green: No, sheet piling is not being used on that wharf. The total expenditure is to be $285,000 for the whole project. Some of that amount was spent in the last fiscal year.

Mr. Bourget: I will probably be asking the chief engineer next week what kind of design will be used.

Mr. Johnson: Mr. Chairman, for the last two hours I have not heard anyone congratulating the Minister of Public Works on his appointment to the external affairs portfolio. Therefore I hope no one will mind if I take just a few seconds in which to extend my congratulations to the minister. After throwing bouquets at the minister, I may have a few criticisms to bring before the committee in relation to some matters which may be of no importance to many constituencies but which are of great importance to my constituency of Chambly-Rouville.

First I want to thank the minister for the attention with which he has favoured my constituency. I thank him for the large amount provided for the constituency of Chambly-Rouville on the Richelieu river for retaining walls. The minister did not have the reputation of handing out too much money on this item but, whether I am lucky or not, I think Chambly-Rouville will get its fair share this year.

(Translation):

Mr. Chairman, I want to emphasize the case of the city of Beloeil, one of the finest municipalities in the province of Quebec, where retaining walls had already been erected in various places in front of this or that owner's lot or in front of another property located a little further. They used to build retaining walls to please certain people who reciprocated the same favour to the member around election time.

Since the Conservative government was elected, this policy was somewhat abandoned. The intention was to be fair towards everybody, although in other ridings they are in the same situation. This government is being charged with favouring supporters of the Liberal party while failing to do the same thing for supporters of the Conservative party.

I should like to put this on the record of the house so that it be known that we favour that policy because it is fair to everyone. The completion of the retaining walls, partially built by the Liberals, is an illustration of what the Conservative party is now doing to repair the mistakes made by the previous government and to fulfil the promises made by the members, particularly those who represented the constituency of Chambly-Rouville.

A moment ago, I heard an hon. member attempting to claim for himself the credit which is due to the Minister of Public Works (Mr. Green) for carrying out a program in

his constituency. He said that the work had been carried out at the time of the Liberal party. Perhaps the program had been started by the Liberal party, but it was carried to completion under the Conservative regime. I am surprised to hear people say we are piling deficits upon deficits, but if we are doing so, it is to finish the work begun by the Liberals.

Mr. Chairman, let us now say a word about the retaining wall in Beloeil; it was an old dream of the former secretary of state, Mr. Roch Pinard. I imagine that the former Liberal member of the legislative assembly, the present mayor of Beloeil, will soon write a letter to the minister somewhat similar to the one which the minister read into the record earlier this afternoon.

The Conservative party, once again, will fulfil a promise of the Liberal party. I understand the wish of some officials that certain promises be fulfilled; well, I would ask their co-operation to fulfil another promise of the Liberal party.

In Chambly, at the mouth of Chambly canal, there is some erosion caused by navigation.

I am not the only one to believe that, on the basis of reports from the department or from certain officials of the department, stating that very little erosion was being caused by navigation, the department refuses to build a retaining wall. I do not agree with them and I ask the minister to give instructions to his department to make a further study of the matter. It might be convenient to make it a practice of consulting the member who, when something is not done right, receives the representations and the criticisms of all the voters, but seldom receives congratulations from his opponents. When there is something wrong, the practice should be to consult the people's representative and to ask his opinion, particularly about retaining walls and especially when it is a matter of building such walls.

I do not know who has been consulted about that retaining wall, but I do know that the matter should be studied. I know that a letter will be sent to the minister by the city council of Chambly, since the erosion is due in part, at least, to navigation, a situation which seems inevitable at the mouth of the Chambly canal. I wonder if it is recognized in the department that erosion is partly due to navigation. I wonder if it would not be necessary to build there, either this year or next, the retaining wall already begun in 1932 by the Conservative party, over a length of about 1,000 feet, continued by the Liberal party over a length of about 100 feet, and which should be continued by this government over the rest of the required length.

Mr. Bourget: Mr. Chairman, I am sorry that the previous speaker should have felt called upon to play politics with the matter of retaining walls.

The Minister of Public Works (Mr. Green) has no doubt noticed that, since we took up his departmental estimates, certain of the items carried quite rapidly, out of our feelings of friendly co-operation. I also think that, in view of the appreciation we have expressed to the minister, the hon. member might have refrained from indulging in petty politics, considering that he sits on the government side. Of course, I realize why he does so. He was brought up in that kind of atmosphere, and I deeply regret the fact that he made his remarks at a time when we were bidding farewell to the minister as the minister responsible for public works.

I will say this to the hon. member. If there were promises made in the past—and I have some knowledge of the matter, having served as parliamentary assistant to the former minister of public works under the former Liberal administration—it was because the appropriations voted for the current year had been exhausted, and that in such circumstances, as is probably still being done by the present minister, the members were told: Well, next year, some job will probably be undertaken in your constituency. There has been absolutely no change from the previous situation. The policy followed by the present Minister of Public Works is the same as the policy followed by the former administration.

I can see no excuse for the hon. member raising this point of petty politics on this item. I shall refrain from any further comment, because I promised the minister that we might perhaps complete our study of his estimates today. I do hope, however, that other members will not rise to discuss politics when we are talking business.

(Text):

Item agreed to.

341. Manitoba and Saskatchewan, $272,000.

Mr. Pickersgill: Mr. Chairman, on item 341 I wonder if the minister could tell me what the wharf at Steep Rock, Manitoba, is used for? I have not been there since 1914 and I am rather curious.

Mr. Green: Mr. Chairman, Steep Rock is a community of about 300 people located on the east shore of lake Manitoba, 140 miles by

road and rail from Winnipeg. The village is the site of a lime rock quarry operated by the Canada Cement Company. One million tons of lime rock are crushed and shipped to the Canada Cement Company at Fort Whyte, outside Winnipeg, each year. Cattle, local farm produce and in the wintertime fish, are also shipped from Steep Rock.

The existing wharf is a rockfilled, timber crib work structure 85 feet by 14 feet, with a rock and gravel approach 30 feet long. The seaward side of the wharf is protected by rock riprap. The wharf originally 63 feet by 14 feet was constructed in 1927-28 for the sum of $2,605, and extended to its present length in 1939-40 at a cost of $1,437.51.

Mr. Pickersgill: I was wondering what the wharf was used for. I know these things are produced there but they are all shipped by rail.

Mr. Simpson: Mr. Chairman, I would like to say a few words with regard to this item which relates to harbour improvements at The Pas, Manitoba. Before asking the minister a question I would like to say to him that the people of that area were very appreciative of the speed with which the officials of his department acted last summer when this work was intended to be done. At that time it was felt by the people of that area that a more desirable site could be found in the near vicinity to where these harbour improvements were going to take place, and just previous to the work being started they requested that a new site be investigated. I understand the new site has been selected, and the question I would like to ask the minister is if it is felt by his department that this $70,000 in the estimates for this work will be sufficient to complete this development as planned last year? I understand that the plans last year called for a slightly higher amount of money, and I am wondering if this $70,000 is felt to be enough to complete the harbour improvements at The Pas?

Mr. Green: Yes, Mr. Chairman. The project was estimated at $70,000. I have now a better explanation for the wharf at Steep Rock.

Mr. Pickersgill: I am sure it is a very good thing. It is a wonderful place.

Mr. Green: I laid a good foundation, but here is the whole story. This amount of $16,000 is required for the construction of an extension to the wharf to provide additional berthing and landing facilities. The existing structure is not long enough to accommodate the barges and other craft using it, since only the inner side, with 85 feet of berthing space, can be used. There are no other public wharves on lake Manitoba.

The wharf is used by cattle ranchers on Peonan point, four miles west of Steep Rock, who transport cattle and supplies by barge to and from Steep Rock, the nearest road and rail link. Their only alternative is to go by road around the north end of lake Manitoba to St. Martin on the C.N.R. This is a journey of 35 to 40 miles and the road becomes impassable in wet weather. For these reasons, the route is no longer used. The ranchers on Peonan point are the only ranchers who transport their cattle by barge to a shipping point. Other ranchers on both sides of lake Manitoba are close to a highway or railway, so that there is no advantage in crossing the lake.

The wharf is also used by small private and tourist boats and a few aircraft. Fishermen ship supplies over the wharf in the late fall of the year. Total craft using the wharf are two barges, three boats—over 30 feet—with inboard engines and 50 smaller outboard powered boats. The value of produce, supplies and equipment shipped over the wharf each year is estimated as follows: cattle, $80,000; fuel and gas, $4,000; machinery, $20,000; food, etc. $4,000; fishing equipment, $12,000. The two cattle barges are 54 feet and 60 feet long, respectively. An average of two trips per week are made by the barges between June and freeze-up. Approximately 1,800 head of cattle are at present on Peonan point and this number is expected to increase.

Does that satisfy the hon. member's curiosity?

Mr. Pickersgill: Yes, except that the minister's officials have made one mistake. There are two other public wharves on lake Manitoba, built by the department in co-operation with the government of Manitoba at the narrows for the purpose of the ferry there. I should like to have this on *Hansard*, because I expect to be asking the minister's successor in a year or two to build a couple of wharves to provide a ferry to Twillingate island and I do not want to be told that there are no precedents.

Mr. Hanbidge: I note that this item deals with Manitoba and Saskatchewan. I should like to ask the minister how much money has been allotted in respect of harbours and wharves in Tramping lake and Muddy lake in the Kindersley riding.

Mr. Pickersgill: I think the minister should ask for notice.

Mr. Hanbidge: Maybe it would be easier if I asked him how much was being spent in Saskatchewan.

Mr. Pickersgill: About $100 million on the Saskatchewan dam.

Mr. Green: We are putting all our money on the Saskatchewan dam.

Item agreed to.

343. British Columbia and Yukon, $4,224,000.

Mr. Herridge: I must preface my brief remarks on this item by drawing to the minister's attention the expanding economy of the Kootenay district and its continuous growth and every evidence of very large expansion of the forest industry, in the future. We have at the present time the operations of the Consolidated Mining and Smelting Company which are also expanding, and we have a very large development of the forest industry.

During last year 300 million feet of lumber were sawn inside the Nelson forest district, a good indication of what is to come, and at the present time construction has started on the foundations of a $50 million pulp mill at Castlegar. So it is not a question of providing services or buildings in a declining economy or in a country where there will be ghost towns. The minister knows that well enough.

I want to bring to his attention the changing pattern in navigation on the lakes. As the minister knows, up to a few years ago we had sternwheel steamers on passenger service and large steam tugs working for the lumber companies, hauling railroad barges or barges carrying iron ore for mining companies. The sternwheel steamers have ceased to operate and the pattern of navigation now is a larger number of small diesel tugs—they are not required to be as large in order to be as powerful—plus a great increase in the use of the lakes by small pleasure craft. Last year about 100 small craft came up the Columbia river, some from as far as Portland at the mouth of the Columbia being portaged around the dams in the United States by low-boys. I was told by some of these visitors from the United States that the increase in this traffic this year will be quite considerable, with every expectation of a rapid increase as the years go by to tourist camp operators. To indicate what that means, there were 22 of these small craft from the United States which arrived on the Saturday preceding Labour Day at St. Leon and Hot Springs and before they left they left $1,200 in cash. That was only 22 out of 80 that came up the river from the United States on Labour Day. Some went to Revelstoke, others came down the Kootenay river and were launched at various places on the Kootenay lake. The visits of these small craft are of great importance to the district and a great help to tourist resort operators who, as the minister knows, have to skim their cream in about four months of the year. I mention this to illustrate the stability of the economy and the changing pattern of navigation which, I think, was not fully understood by some of the minister's district officials a year or so ago.

It is a strange thing, but in the Kootenays we get overlooked on so many occasions. We had few visits from cabinet ministers of the Liberal government during the years it was in office. We have had a few more since the present government came to power by the Minister of Public Works but purely on account of the fact that his home town is in my constituency, and we are most fortunate in that respect. However, I think that with the lure of larger works on the coast district engineers are inclined to fail to realize to the fullest extent the importance of the federal Department of Public Works to our district.

I must say that the people in Boswell are delighted with the launching way that has been built there, and I am informed a considerable number of United States craft have already this year been launched there. The same applies to the people of Kaslo and the people of Burton who are very pleased that reconsideration was given to the demolition of the Burton wharf and to its reconstruction and improvement as a wharf and launching way.

I suggest to the minister that very serious consideration should be given before the demolition of any wharf is undertaken. I was sorry a few years ago that the Halcyon wharf was demolished. I was inspector of that wharf when it was built. The piling was sound; only a few planks needed replacing. The hotel Halcyon had burned down, so there was apparently no use for the wharf. However, that wharf was the only wharf between Arrowhead and Nakusp at which tugs could tie up in the event of a storm. A number of skippers have told me they wish the wharf was still there to tie up to. I urge that consideration be given to the new needs for a wharf before there is any further demolition undertaken.

There is a great increase in the ownership of small water craft in the Rossland-Trail district. The residents of that district would like to see a launching way at a site below Trail the name of which I forget at this moment. It is a suitable site. If this work cannot be undertaken this year

I urge consideration of its construction next year. There will be a large use for a launching way near Trail.

The chamber of commerce of the village of New Denver is anxious to have a launching way built there at an excellent site. The minister knows all about it. I hope it will be included in plans for next year with respect to the navigation welfare of Kootenay West.

I must say how pleased the people of the district are that the department decided to build a new wharf at Galena bay. There will soon be a great deal of traffic at that point. The traffic is increasing every year. Possibly the minister does not know that it is likely that the road between Nakusp and Galena bay to the very wharf in question will be completed this year. It is partially completed now. Three or four days ago my son-in-law informed me that another construction crew is expected to start working soon on the portion between St. Leon and Galena bay. It is fortunate that the department has decided to rebuild this wharf because it will be at the apex of two routes of traffic going north, one from the Kootenay lake the other from Nakusp. We were very pleased that the department decided to make provision for the construction of that important wharf in the estimates this year.

Now I have a few suggestions to make before I sit down. I suggest that everything be done to keep the permanent staff employed rather than bringing in other persons. The dredge has a crew of experienced men. A number of these men have worked on the Arrow lakes for many years. At certain times they are laid off and the dredge employed on day work for the department. I suggest that in the type of construction that has to be undertaken with launching ways and wharves on Arrow, Kootenay, Slocan, and other lakes day labour is cheaper than contract work. That was demonstrated when the Nakusp wharf was built. I was informed by the officials that they saved several thousand dollars with day labour. An outside contractor has to make allowance for bringing in equipment and other costs. These men are experienced and know what to do. When you employ these men you are employing men who have had experience with running pile drivers, building wharves and works of that type. I suggest that every effort be made to keep the permanent crew on the dredge employed for as great a part of the year as possible in this way.

I mentioned that every consideration should be given to the maintenance of the present wharves as long as they can be repaired at any reasonable cost.

[Mr. Herridge.]

I was in Trout lake recently. There is a small wharf at the north end. It is an isolated spot with only seven permanent residents. Didn't I enjoy, what shall I say, the evidence of the democratic spirit that exists there. I was told an oil man came in and bought the hotel and spent about $40,000 on it and put in a cocktail lounge. He told the old trappers and prospectors, one of whom was in our battalion, "I do not want you old birds around here. I intend to attract high class clients." They had a vote on the question and all voted against the cocktail lounge. He lost out by failing to give consideration to the old time pioneer residents of whom I am very fond.

I suggest that wharf be kept in repair, as it is used as a launching way in the summer. It is a good sound wharf. There is a necessity for a similar small structure at the south end of Trout lake near Argenta. Tourists drive up from the south and fish in Trout lake and then pull up their boats at the north end.

The members of the Nakusp launch club of which I am a member brought to my attention the fact that they were interested to note that a breakwater had been built at Okanagan Landing last year. They wanted me to put in a plug for them. I do not suggest that this could be done overnight but if there is any more money available for this purpose I urge the minister and the deputy minister to give consideration to this. Money would be well spent on such a breakwater.

I now mention the question of dredging and pay particular tribute to a man employed by the department who knows dredging. He has had experience in the Royal Navy and as captain of a dredge. He has worked on wharves and river improvements for many years. This gentleman is in charge of floating equipment in the office in Vancouver. If the minister or the deputy minister have any questions about floating equipment in the interior of British Columbia I suggest that they take the advice of this gentleman. He is a practical person with experience.

I now bring to the minister's attention a problem arising out of the great increase in the lumber industry in the Kootenays. Millions of additional feet are being sawn every year. Millions of feet of logs are being towed from the north arm of the Arrow lake down to the mills at Nakusp. At the present time there is a narrow channel dredged toward Arrowhead for various craft to approach the wharf. It is quite wide enough for that purpose but not wide enough for tugs towing logs. It is possible for a tug to come out towing one million feet at high water but from medium water on it is very difficult. The tug cannot proceed west far enough to turn the boom into the channel without touching bottom. In extremely low water the channel is not wide

enough to allow the logs to go through. One million feet of logs were tied up for several days on two occasions last year. The captain could not swing the boom in question. Sometimes if they cannot go far enough west to make the turn the wind will blow the boom to the shallows on the east side of the cut. I know there are about ten million feet of logs coming out of the north arm this year.

There is a new sawmill being build at Arrowhead and another at Nakusp. It is expected all the mills there will require fifty million feet of logs this year. I am not blaming the department for the situation because these developments are happening, as it were, overnight. I suggest that a survey be made of the situation with respect to the dredging of the mouth of the Columbia toward the present Arrowhead dock to see if the cut could not be widened to some extent, and possibly some of the easterly bar taken off so tugs towing booms would not have difficulty making the turn.

At the present time the channel is far too narrow. I have been asked by those interested in the lumber industry and particularly the men towing logs to bring this to the minister's attention. I am quite sure that if the minister's officials went into the district they could get a very good description of the difficulties that occur at the present time from the captains of the tugs and other craft.

This concludes my suggestions, Mr. Chairman. The minister knows that I never ask for anything that is not absolutely essential.

Mr. Pickersgill: Before the minister replies to the hon. member, knowing his enthusiasm for the interior of British Columbia, I am hoping he is not going to start building wharves for seven people on the lakes of British Columbia when there are 700 in many places on the Atlantic coast who still need wharves.

Mr. Herridge: Mr. Chairman, I should like to explain that the wharf is built.

Mr. Pickersgill: The hon. member referred to another place just like it.

Mr. Herridge: Geographically.

Mr. Pickersgill: What I rose to ask the minister—I meant to ask him on the item with regard to Newfoundland—was that is it the department's firm intention to go ahead with all the works that are specified in this year's program?

Mr. Green: We are hoping to be able to do so, but we cannot be sure.

Mr. Pickersgill: There is no present plan to cut out any of them? Can we be given that assurance?

Mr. Green: That is right.

Mr. Payne: I will take but a brief moment. Before this item passes I feel it is rather essential that a word or two be said on the matter of the British Columbia west coast which has very aggravated problems.

I must in my first remarks thank the minister for his splendid construction of a breakwater at Gibsons, British Columbia, thereby showing the good wisdom he has displayed in constructing this facility. I may say it has been open for six weeks now and it is already overcrowded with west coast fishermen. I trust that in order to overcome the overcrowded situation the plans for the Powell river-Westview breakwater will proceed without delay.

The main matter which I wish to bring up at this time is the matter of policy. I think it should be brought to the attention of the committee. I am sure the minister is fully conversant with this matter and will discuss it with his successor. It has to do with the increasing need for protective facilities for the thousands of small boat owners and operators who are plying the British Columbia coastal waters in increasing numbers as the weeks go by. In the past summer it was estimated that on weekends on the lower mainland area of the coastal waters somewhere in the neighbourhood of 14,000 to 15,000 craft were at sea. At the present time no policy exists within the structure of the federal government or the provincial government to provide shelter. This means that in the event of a sudden blow some weekend there would be no safety shelter available and without such shelter we can, I am sure, look forward in the future in our west coast waters to one of the world's great maritime tragedies. What the answer is I am sure I do not know; but I would submit that this matter is deserving of immediate and early study. Possibly it should be approached from the point of view of assessing a proper licence fee to those who are operating this type of craft in order that this shelter may be provided. I want to bring this forward as a suggestion which might be passed on to the incoming minister of public works.

Mr. Pickersgill: Before we proceed any further I would like to say on behalf of those on our side of the house that we would be prepared to sit for a while after six o'clock because we know the minister would like to devote his full attention to his new department.

Mr. Herridge: Speaking for this group, I agree with the suggestion.

Mr. Green: I am grateful; I appreciate this kindness very much.

Item agreed to.

345. Remedial works where damages are caused by, or endanger, navigation or federal government structures; and the completion of protection works already under way, $800,000.

Mr. Bourget: Just one question; I wonder whether the minister could give us a breakdown of the projects that were undertaken last year and a list of those that are going to be undertaken this year. I do not want to delay the passage of the estimates. Therefore, if the minister would be kind enough to send me a list for last year and this year I shall be content. I know the deputy minister knows the kind of list I want.

Item agreed to.

352. Towards an investigation to determine the feasibility of constructing a proposed causeway across Northumberland Strait, including the opening of a test quarry, $250,000.

Mr. Macquarrie: Mr. Chairman, I would not want to lose the popularity of hon. members by making any lengthy remarks. The congratulations and felicitations that I would have liked to offer to the new Secretary of State for External Affairs I shall withhold for the time being because I do not want to delay the minister in putting through his estimates. I should like to congratulate him on the remarks that he has made this afternoon with relation to the work he has done on the Prince Edward Island causeway. This is very encouraging. This is an old, old project in Prince Edward Island but not as old as the project mentioned by the hon. member for Kootenay West the other night. For many years the people of Prince Edward Island have hoped that the isolation and insularity that they have experienced in the winter time would be overcome. A connection between Prince Edward Island and the mainland was a big factor in bringing us into confederation when steps were promised to curtail the disadvantage that existed.

I want to tell the minister that we do not want to urge his officials to rush their report. We realize that this is one of the great engineering feats to be undertaken on the continent. We appreciate the fact that he has brought into the survey outstanding experts not only from his own department but from Europe. We are impressed with the amount of time and money that have gone into this problem. Not too long ago it seemed that this project was a little too staggering for the imagination. When the leader of the opposition in the Prince Edward Island legislature mentioned this project in 1940 a few members told him he was daft. Now considerable progress has been made and we look forward to the day when a great deal more optimism will emerge than has yet emerged.

Judging by the minister's statement, he has been given a good deal of advice. Before he says farewell to the Department of Public Works I should think he could do nothing more on a grand scale than to give the necessary push to this great project, a project that will mean not only so much to the province of Prince Edward Island but to the whole maritime region. I am happy that the hon. member for Northumberland-Miramichi is present. So vast is this, and so great are the prospects for the whole Atlantic region I think it may be classed as one of the great national development projects that will have a profound effect on the whole country. I do thank the minister for what he has done. I hope that those who come after him will follow his example and perhaps push the matter considerably farther so that the day may come when the present minister will be driven across that link as the Secretary of State for External Affairs, and he will recall what he did in the earlier days.

Mr. Pickersgill: Before the item passes I should like to say that as a member of the government which intiated this study, I am very pleased with the hon. gentleman's remarks.

Mr. Phillips: I do not wish to delay the estimates, but I would like to concur in the remarks made by the hon. member for Queens. There has been some criticism of the fact that the report has not been made public. I am sure all thinking people will realize that the officials require a great deal of time to study the report very thoroughly.

There are one or two proposals to which I should like to draw the attention of the minister. The first is a proposal submitted for the carrying of the rock by means of water transportation. I should like to see this proposal investigated as I believe it could save a considerable sum and cut down on the length of time required to construct the causeway.

The vote also includes an amount for the opening of a test boring. I wonder if the minister could tell us at this time the results of the opening of the test boring on the New Brunswick side?

Mr. Green: Mr. Chairman, in reply to the hon. member's question I would say it is too early to make any comment concerning that boring.

Item agreed to.

Trans-Canada Highway—

355. Construction through national parks, $13,405,000.

Mr. Pickersgill: I should like to ask the minister if he can tell me how much paving will be done in Terra Nova park this year?

Mr. Green: It is not expected there will be any paving done this year.

Mr. Pickersgill: I am a little disappointed to hear that. The minister does expect the grading will be all completed this year?

Mr. Green: Yes, the grading is to be completed.

Item agreed to.

356. Contribution to the province of New Brunswick towards construction of dam on Tantramar river, New Brunswick, $84,375.

Mr. McWilliam: This appears to be a new work because I do not see that there was anything voted for it last year. Is it something to finish up a dam that was started some time ago, and not completed? If it would save time, perhaps the minister could let me know by letter tomorrow.

Mr. Green: Mr. Chairman, the explanation is quite lengthy, but I should be glad to let the hon. member have a copy.

Mr. Pickersgill: Perhaps the committee would agree to have the explanation put on *Hansard* because a lot of people in New Brunswick would be interested in reading the minister's reply.

The Deputy Chairman: Will the committee give unanimous consent to allow the minister to place the answer on *Hansard*?

Some hon. Members: Agreed.

(Editor's note: The answer above referred to is as follows:)

PUBLIC WORKS

Development Engineering Services, Highways Division, Contribution Towards Construction of Dam over Tantramar River, N.B.—$84,375 (New Item)

This amount is required to cover a contribution by the Department of Public Works to the province of New Brunswick, in respect of the construction of a dam over the Tantramar river, which will form a part of the trans-Canada highway. This work is being done by the maritime marshland rehabilitation administration under an agreement with the province of New Brunswick. This structure is to serve the dual purpose of a marshland protection work, as well as a section of the trans-Canada highway.

Order in council P.C. 1957/684 dated 9 May, 1957, authorized the construction of the Tantramar river dam under the Maritime Marshland Rehabilitation Act, and granted to the Minister of Agriculture authority to execute with the province of New Brunswick an agreement for the construction of the dam, which was to include provision for a highway crossing. The basis of sharing in the cost was that the federal government (Department of Agriculture) would undertake 77.5% of the cost and the province of New Brunswick the remaining 22.5%. In addition, the arrangement was that half of the payments made by the province to the maritime marshland rehabilitation administration were to be paid by the federal Department of Public Works (Highways Division).

The above arrangement is altogether similar in principle to one which was made with the province of Nova Scotia in the fiscal year 1955-56, with respect to a contribution towards the construction of a dam at the Ingonish river. At that time the deputy attorney general, Department of Justice, advised that he was unable to find authority under the trans-Canada highway agreement for a contribution by Canada to the province and advised that if it was decided to proceed with the joint project that the best method would be to enter an appropriate item in the estimates. In view of the fact that the cost of the dam was increased in order to make provision for a roadway crossing for the trans-Canada highway, it was considered that the item should be included in the public works estimates.

The contract for the Tantramar dam has now been awarded to the Modern Construction Company at a cost of $528,010. In addition to this amount, it is estimated that other items will bring the total to $750,000. Under the above mentioned order in council, New Brunswick's share of this amount is 22½% or $168,750. The share of the federal Department of Public Works is, therefore $84,375. This amount would be subject to downward revision if, when all accounts are in for the project, the total expenditure is less than $750,000.

Item agreed to.

359. Miscellaneous works not otherwise provided for: a maximum of $15,000 may be expended in respect of any one work and, with the approval of treasury board, that maximum may be increased to $25,000, $2,400,000.

Mr. McWilliam: I judge that this vote for miscellaneous works includes this winter program for small federal buildings. In that regard, I should like to ask the minister concerning a building contemplated for Blackville, New Brunswick. It was on the list he

put on *Hansard*, I think it was on May 21, when he spoke on the estimates. I should like to know if it is the intention to erect that building next winter. I understand there is a proviso in connection with some of these buildings in that the lease on the present quarters has to expire before construction will go ahead. I should like to know, with regard to the Blackville post office, if that will be erected during the coming winter?

Mr. Green: Yes, we plan to erect that building during the next winter, provided there is no difficulty such as a question of site.

Mr. Pickersgill: Before this vote carries, may I ask if this vote includes small wharves and other work in the harbours and rivers field?

Mr. Green: Yes.

Mr. Pickersgill: Well, I am pleased then to note the very considerable increase. I hope the minister will suggest to his successor that a lot of it be spent in Newfoundland.

Item agreed to.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder if the house leader would give us the best indications he could of the business for next week? Perhaps he could indicate it for the whole week.

Mr. Green: I gave the business last night, but there is one addition and that is third reading of the act to amend the federal-provincial tax-sharing agreements, which I overlooked last night. This would be called first thing on Tuesday. Otherwise, the list would be as I stated.

Once again, Mr. Speaker, I should like to express deep gratitude to the hon. members for the way in which they rushed through these estimates here today. I feel rather badly because there were some questions asked by the hon. member for Burnaby-Coquitlam about housing, and one or two other members asked questions. I shall try to give them answers privately.

Mr. Pickersgill: I do not think I should like to leave the record just the way it is. I do not think we rushed the estimates through. We gave them pretty good consideration, and we tried to give the minister the kind of consideration, in view of the very heavy responsibilities he has now assumed, to which he was entitled.

Mr. Herridge: For once, I am in complete agreement with the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: It will not happen again.

It being ten minutes after six the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

CAMP GROUND AND PICNIC AREA DEVELOPMENT PROGRAM

Question No. 397—**Mr. Roberge:**

1. In what fiscal year was the "camp ground and picnic area development" program initiated?

2. What provinces have entered into an agreement with the federal government in each fiscal year since the inception of the program up to March 31, 1959, and what is the amount paid to each of them in each year?

3. What provinces have not entered yet into such an agreement?

Questions

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. The first program covering the period January 2, 1958, to May 31, 1958, was initiated on January 2, 1958.

The second program covering the period November 1, 1958, to May 31, 1959, was initiated on October 30, 1958.

2 and 3. All provinces except Quebec entered into an agreement with the federal government to take part in the first program.

All provinces except Quebec and Prince Edward Island entered into an agreement with the federal government to take part in the second program. Prince Edward Island, however, is continuing this work under the trans-Canada highway camp ground and picnic area program.

SUMMARY OF FEDERAL CONTRIBUTIONS FOR CAMP GROUNDS AND PICNIC AREAS UNDER THE TWO WINTER WORKS PROGRAMS

Province	First program Contributions to provinces Fiscal Year		Second program Contributions to provinces Fiscal Year		Estimated contributions. Fiscal Year
	1957–58	1958–59	1958–59	1959–60	1959–60
Newfoundland	Nil	54,345.77	Nil	—	—
Nova Scotia	556.60	8,038.20	15,975.84	—	30,500
New Brunswick	3,233.60	42,158.27	5,287.65	—	24,250
Prince Edward Island	Nil	2,120.00	Nil	—	—
Ontario	237,078.90	366,970.38	557,311.23	—	299,661
Manitoba	27,211.55	63,000.40	55,706.95	—	52,500
Saskatchewan	16,312.81	19,736.58	30,988.83	44,794.16	42,500
Alberta	39,485.22	64,912.59	73,389.76	—	187,500
British Columbia	167,771.83	199,324.77	164,169.27	—	175,000

[The following items were passed in committee of supply]:

DEPARTMENT OF PUBLIC WORKS

318. General administration, $9,335,045.

Public buildings construction and services—

Acquisition, construction and improvements of public buildings—

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

319. Newfoundland, $1,085,000.
320. Nova Scotia, $1,025,000.
321. Prince Edward Island, $90,000.
322. New Brunswick, $490,000.
323. Quebec, $5,931,000.
324. Ottawa, $16,505,000.
325. Ontario (other than Ottawa), $13,330,000.
326. Manitoba, $1,207,000.
327. Saskatchewan, $1,775,000.
328. Alberta, $2,535,000.
329. British Columbia, $1,950,000.
330. Yukon and Northwest Territories, $2,968,000.

331. Improvements generally—

Not more than $25,000 to be expended on any one project without the approval of treasury board, $700,000.

332. Maintenance and operation of public buildings and grounds, and to authorize commitments against future years in the amount of $1,300,000, $43,293,000.

333. Furniture and furnishings for government departments, $2,549,820.

334. Work in the interests of fire prevention, $174,263.

Harbours and rivers—

Engineering services—

Acquisition, construction and improvements of harbour and river works—

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

335. Newfoundland, $4,128,200.
336. Nova Scotia, $5,150,500.
337. Prince Edward Island, $1,092,000.
338. New Brunswick, $4,388,000.

Supply—Items Passed

339. Quebec, $5,757,900.
340. Ontario, $6,223,500.
341. Manitoba and Saskatchewan, $272,000.
342. Alberta and Northwest Territories, $230,000.
343. British Columbia and Yukon, $4,224,000.
344. Construction or acquisition of buildings, works, land and equipment, $275,000.

345. Remedial works where damages are caused by, or endanger, navigation or federal government structures; and the completion of protection works already under way, $800,000.

346. Repairs and upkeep, including reconstruction and replacements for the maintenance of services; wharf repairs at Ste. Angele de Laval, Quebec; and to authorize commitments against future years in the amount of $420,000, no new works to be undertaken, $2,800,000.

Dredging—

347. Maintenance and operation of plant and contract and day labour works, $3,606,075.
348. Construction or acquisition of plant and equipment, $2,632,500.
349. Maintenance and operation of graving docks, locks and dams, $882,195.

Development engineering services—

350. Canada's share of the cost of international and interprovincial bridges, as detailed in the estimates, $2,500,000.
351. Towards replacement of low level Burlington canal bridge, $2,700,000.
352. Towards an investigation to determine the feasibility of constructing a proposed causeway across Northumberland Strait, including the opening of a test quarry, $250,000.
353. Roads and bridges—maintenance and operation, $186,175.
354. Testing laboratories—operation and maintenance, $818,622.

Trans-Canada highway—

355. Construction through national parks, $13,405,000.
356. Contribution to the province of New Brunswick towards construction of dam on Tantramar river, New Brunswick, $84,375.

General—

357. Advance planning of projects including acquisition of sites, $1,500,000.
358. Balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1959-60, $800,000.
359. Miscellaneous works not otherwise provided for: a maximum of $15,000 may be expended in respect of any one work and, with the approval of treasury board, that maximum may be increased to $25,000, $2,400,000.
360. To supplement, on approval of treasury board except where less than $1,000 is required, any of the appropriations of the Department of Public Works, $700,000.

Central mortgage and housing corporation—

361. Expenses incurred in constructing and supervising construction of married quarters, rental housing, schools and related services on behalf of the Department of National Defence, $900,000.

480. Advances to central mortgage and housing corporation for the purposes of subsection (1) of section 37 of the National Housing Act, 1954, in respect of housing projects for veterans and for housing projects at Gander, Newfoundland, for sale or rental, $60,000.

564. General administration — further amount required, $197,000.

Public buildings—

Construction and services—

Acquisition, construction and improvements of public buildings—

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

565. Ottawa, $696,000.
566. Ontario (other than Ottawa), $600,000.
567. British Columbia, $35,000.
568. Work in the interest of fire prevention—to extend the purposes of vote 334 of the main estimates for 1959-60 to include the making of a grant of $5,000 to the Canadian joint fire prevention publicity committee, $1.

Harbours and rivers engineering services—

Acquisition, construction and improvements of harbour and river works—

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

569. Newfoundland, $109,000.
570. Nova Scotia, $265,000.
571. New Brunswick, $700,000.
572. Quebec, $101,000.
573. Ontario, $973,000.
574. British Columbia and Yukon, $50,000.

Development engineering services—

Trans-Canada highway—

575. Construction through national parks—further amount required, $200,000.

General—

576. Balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1959-60—further amount required, $300,000.

Central mortgage and housing corporation—

577. To reimburse central mortgage and housing corporation for losses sustained by it during the fiscal year 1958-59 as a result of the operation of federal-provincial projects undertaken under section 36 of the National Housing Act, 1954, $127,667.

Central mortgage and housing corporation—

606. Advances pursuant to sub-section (4) of section 36 of the National Housing Act, 1954, in respect of housing and land development projects undertaken jointly with the governments of the provinces during the fiscal year 1958-59, $22,000,000.

HOUSE OF COMMONS

Monday, June 8, 1959

The house met at 2.30 p.m.

REPRESENTATION ACT

AMENDMENT TO CREATE NEW CONSTITUENCY OF KEEWATIN-FRANKLIN

Mr. Erik Nielsen (Yukon) moved for leave to introduce Bill No. C-55, to amend the Representation Act.

Mr. Martin (Essex East): Explain.

Mr. Nielsen: The purpose of this bill is to correct a wrong that has been of long standing in Canada, that is to provide to Canadian citizens living in the area described in the bill the right to vote in federal elections, a right which would affect some 8,000 to 10,000 qualified citizens in the area concerned.

Motion agreed to and bill read the first time.

AIRPORTS

MALTON—STATEMENT ON JUDGMENT OF EXCHEQUER COURT ON PROPERTY VALUATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether, now that he has had an opportunity of reading the judgment of the exchequer court concerning the expropriation of land for Malton airport, he has any further statement to make on this matter at the present time.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, last Friday the Leader of the Opposition asked this question:

I should like to direct to the Prime Minister a question based on reports of a judgment rendered yesterday by the exchequer court with regard to property valuation at Malton airport. Is it the intention of the Prime Minister to make a statement concerning the matter covered by this judgment, in which the Minister of Transport (Mr. Hees) and the hon. member for Peel (Mr. Pallett) are mentioned?

In the course of my reply I said, amongst other things:

However, I think I should say at this time that in so far as any reference to any hon. member in this house is concerned, and in particular to the hon. member for Peel, the integrity and honesty of purpose of that hon. member leaves no question in my mind.

I wish to thank the Leader of the Opposition for the support he gave me in this regard when he said:

Mr. Speaker, may I ask a supplementary question. In view of statements made in the judgment—and I am not quarrelling in any way with what the Prime Minister has said—has the Prime Minister considered referring this matter to the appropriate standing committee of the house so that it may be given the fullest and most impartial examination?

I repeat that I very much appreciated the attitude taken by the Leader of the Opposition in entirely supporting me when I said that the honesty and integrity of the hon. member left no question in my mind.

In conformity with the answer I gave, I have read carefully the judgment of the exchequer court and I have also had an opportunity of discussing the matter fully with the Minister of Transport and the hon. member for Peel. On the basis of those discussions and studies the opinion I expressed on Friday is fully confirmed. There is nothing which brings into question the integrity and honesty of the hon. member for Peel, and in so far as the minister is concerned there is, of course, no reference whatsoever throughout the entire judgment which in any way to the slightest degree suggests any impropriety.

I feel I should give some particulars regarding the suggestion that this matter might be referred to a committee. According to the judgment, which I have before me, the matters in question having to do with the valuation of land in the Malton area had their origin in the expropriation proceedings of 1954. During the period from 1954 until June 10, 1957, the hon. member for Peel acted in the capacity of solicitor with regard to this matter for some 14 or 15 veterans in that area who felt that justice was not being done to them in the offers made by the department in respect of the land expropriated.

From June, 1957—and I want to underline this—following the change of government the hon. member for Peel thereafter ceased to have any connection with the legal end, disassociating himself from that position. His endeavours were to secure what he believed to be justice for these particular constituents and veterans. It was not until January, 1959, of course, that the hon. member became chief government whip.

I carefully considered the position on the basis of an examination of that judgment and also in the light of past authorities in

respect of the submission to a committee of matters such as these concerning the privileges of any hon. member of parliament, and I found no case in which any such submission to a committee was ever provided for except where it had been alleged that there was on the part of an hon. member improper conduct resulting in his personal gain. Of that there is not one scintilla of evidence in the judgment or elsewhere as far as the hon. member for Peel is concerned.

I think I should refer to the authorities so the record will be complete in this regard. I say, first, that on the basis of the experience of the past and of the traditions of this house, all the cases referred to the standing committee on privileges and elections since 1867 had to do with alleged improper conduct whereby a member allegedly had used his public position in order to further his private interest. Those cases go back to 1877. In 1877 there was the case of a newspaper owned by Hon. T. W. Anglin, M.P. which became a party to a contract with the Post Office Department concerning the insertion of advertisements relating to the public service. However, parliament having been prorogued no action was taken by the house.

In 1890 J. C. Rykert, M.P., was charged and found guilty of having used his influence to get for one John Adams a grant of certain timber limits. This was brought before the committee and Rykert resigned his seat, having been found guilty.

In 1891 charges were brought against Hon. Thomas McGreevy, member of parliament and member of the Quebec harbours commission in connection with tenders and contracts. The committee found a conspiracy between the contractors and the member in question. A contracting firm had taken the member's brother as partner and given him an interest in the firm in order to obtain a contract. McGreevy resigned his seat.

There was the case in 1915 in which A. deW. Foster, M.P., was found by the public accounts committee to have acted as a purchasing agent for the government in the purchase of certain requirements for the army. That committee reported to the house, recommending thorough investigation and action by the Department of Justice. Before such action was taken, A. deW. Foster resigned his seat. There were four other cases of a similar nature in which the action taken resulted in the charges against the member being rejected.

That in general summarizes the situation under which the rights of parliament are subject to that jealous scrutiny which at all times must be maintained. In every case there was moral wrongdoing or the achievement of personal gain. Therefore, Mr. Speaker, under those circumstances and reinforced by the objective attitude taken by the Leader of the Opposition when he confirmed me in the general statement I made during the course of my remarks on Friday, there is nothing to be placed before any committee.

Mr. Pearson: Mr. Speaker, in view of the Prime Minister's reply and particularly in view of his reference to myself perhaps I might be permitted to make an observation. It is quite true, as the Prime Minister has said, that I stated in the house on Friday that I had no quarrel with what the Prime Minister said on that occasion. Of course I would have no occasion either to quarrel with or support any statement the Prime Minister made on that occasion, because it was a preliminary statement pending the examination which at that time he promised to make.

Naturally I am glad to confirm what I said on that preliminary occasion. We on this side will now study the Prime Minister's very important statement today. If that statement seems to require further discussion in the house no doubt there will be an opportunity later to refer to it.

I should like to ask the Prime Minister whether he does not agree from a study of the judgment—and I had not an opportunity of making that study last Friday—that there are contradictions between statements in this judgment about a member of parliament and statements made outside the house on the same matter by the same hon. member, contradictions which in fairness to all concerned should be cleared up?

Mr. Diefenbaker: Mr. Speaker, I know of no contradictions such as are suggested by the Leader of the Opposition. I may say a committee is not set up for the purpose of resolving contradictions. The circumstances under which a committee is set up are very clearly shown to be based upon a charge or charges made by a member of this house. All of us know what happens when charges are made. If charges are made, the house has the opportunity of determining whether they should be submitted to a committee. And if any hon. member makes a charge he, of course, has to substantiate that charge, and if he fails to substantiate the charge the parliamentary tradition, indeed all the experience of the past, indicates that such a member having made a charge unconfirmed

and unsupported may be himself adjudged guilty of a breach of the privileges of the house.

Sir Wilfrid Laurier, when prime minister, in the House of Commons debates of 1907, at page 5664 of *Hansard*, with all his regard for the traditions of parliament and the necessity of their maintenance inviolate, made this statement that is most pertinent and applicable:

> The house, I hope will not depart from the sound traditions which have come to us from England and according to which there could be no inquisition into any man's conduct or standing except on charges made specifically.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. In connection with the expropriation of properties at Malton airport, did the member for Peel recommend to the minister the appointment of an independent appraiser?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker.

Mr. Chevrier: May I ask a supplementary question. Did the minister give any assurance to the hon. member for Peel that he would recommend to treasury board settlement of the various expropriation cases on the basis of the appraisals made by the independent valuator?

Mr. Hees: I assured the hon. member that the appraisals made by Mr. Clare would be presented to treasury board for their examination.

Mr. Chevrier: Well, now, Mr. Speaker, in view of what was said by the president of the exchequer court in the case, would it not be desirable for the minister also to make a statement concerning this whole matter?

Mr. Hees: Mr. Speaker, the whole matter has been very clearly set out by the presiding judge in his judgment and, being a distinguished lawyer himself, I do not think the hon. member for Laurier would ask me to comment on the judgment of the court.

POLYMER CORPORATION

INQUIRY AS TO STRIKE SITUATION

On the orders of the day:

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I should like to ask the Minister of Labour whether he can report anything new to the house on the Polymer strike at Sarnia.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I said last week that Mr. Taylor, the mediator who was appointed, was away because of a commitment made previous to his appointment. He has arrived back and is in Sarnia. Talks between both parties and Mr. Taylor will be resumed.

Hon. Paul Martin (Essex East): May I ask a supplementary question, Mr. Speaker. This is substantially the reply given by the Minister of Labour to me the other day. In view of the fact that this strike has been under way now for many weeks, and in view of the fact that the families of the strikers are experiencing much hardship, does the Minister of Labour not think the situation is one that now warrants vigorous intervention on his part?

Mr. Starr: Mr. Speaker, I am fully aware of the circumstances involved and the suffering and the hardships. The vigorous action to which the hon. member refers has been undertaken through the appointment of our mediator, who is a very capable man. The onus and the responsibility rest to a great degree on both parties concerned, as to their willingness to negotiate and arrive at a settlement.

RESEARCH

REPORTED INTENTION TO LAUNCH CANADIAN SATELLITE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister arising out of conflicting press reports, one report stating that the Prime Minister had announced at Prince Albert that a Canadian satellite would be launched in 1961, and other reports attributing to certain defence research officials that the satellite would merely be a United States satellite with certain Canadian instruments attached to it. Can the Prime Minister tell the house just what is involved, and if this is to be in fact a Canadian satellite or merely a United States satellite to be launched from a Canadian base?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in so far as my statement at Prince Albert is concerned, it was in keeping with a joint announcement made in the month of April by Canada and the United States in connection with joint rocket vehicle and satellite experiments. I also dealt with the matter on another occasion.

In order to keep the record straight may I say that in so far as my remarks are concerned, and I repeat that they were in keeping with what had already been said on previous occasions, the background of the program is as follows. Canadian scientists

are of the opinion that work on space research has now passed beyond the stage of hurling a satellite into space. They believe there is valuable scientific data on the properties of space that can be collected, analysed and considered.

Some time ago the defence research board and the defence research telecommunications establishment approached the appropriate United States authorities with proposals for a co-operative program of development in this field. In view of the fact that Canadian scientific personnel have the ability to make their contribution to the world's pool of knowledge in this field, we believe that Canadian technicians and scientists should be given that opportunity. They have proven themselves outstanding in conception, design and craftsmanship in the production of fine electronics components.

In so far as a satellite is concerned, the United States already has expensive and complex bases for launching earth satellites. It will be a considerable time, if ever, before it will be economic for Canada to establish her own satellite launching base. We do not believe that Canadian scientists should be held back on that account, and intend to give every possible encouragement to them to pursue this program and add to the collective pool of knowledge which can be turned to peaceful pursuits.

The purpose of launching satellites, as I have said, has now passed into the field of collecting valuable scientific data. The Canadian defence research telecommunications establishment at Shirley's bay is fully qualified to participate. When the satellite has finally been completed at D.R.T.E. it will be launched into a north-south polar orbit crossing the United States and Canada from the Vandenberg air force base in California, utilizing the multimillion dollar facilities I have already mentioned which are available there.

I mentioned that the launching would take place in 1961. I see some reference to the fact that this date has not been finally determined. The information I have received now is that it will not be launched earlier than 1961. With those explanations I think the hon. gentleman will understand the situation.

Mr. Argue: Can the Prime Minister say how many Canadian technicians will be involved in this joint project, and whether the establishment of production facilities will result in substantial employment for Canadians? Will he also comment on the report in the press that Premier Frost has said that Moosonee is to be the launching site?

[Mr. Diefenbaker.]

Mr. Diefenbaker: I realize the obvious interest hon. gentlemen opposite have in the statements made by Premier Frost, but I have nothing to say with regard thereto. The general plans at the moment are that the launching will take place in the manner I have indicated. I am unable to give the hon. gentleman the details as to the numbers engaged, but I can say this. Canadians are engaged and are making a worth-while contribution to this highly desirable objective.

Hon. L. B. Pearson (Leader of the Opposition): In view of what the Prime Minister has said, will he explain exactly what he meant—and I quote from the text of his statement—when he said on Saturday "a Canadian satellite is to be launched in 1961"?

Mr. Diefenbaker: That is exactly what I meant, namely a Canadian satellite. I would call a Canadian satellite one in which the instrumentation is supplied by Canada. After all, the instrumentation is the operative part of any satellite.

FISHERIES

PRINCE EDWARD ISLAND—REPORTED RESTRICTION ON CATCH OF GASPEREAU

On the orders of the day:

Mr. O. H. Phillips (Prince): I should like to direct a question to the Minister of Fisheries. Press reports give the impression that the Department of Fisheries has prohibited fishermen from taking gaspereau in the North river, Prince Edward Island. Are these reports correct?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I think there has been some misunderstanding here. Regulations which have been in existence for over 20 years prohibit the seining of gaspereau in river mouths and confined spaces because this method would allow the extermination of a run. In conformity with the regulations, fishermen who are operating in this way have been prevented from doing so further, but they are free to catch gaspereau in this area up to the causeway in the North river by the gill netting method, which allows a sufficient escapement to permit the run to continue to exist.

ST. LAWRENCE SEAWAY

WELLAND CANAL—SUGGESTED PRIORITIES FOR CANADIAN SHIPS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the congestion and still further delays on the Welland canal,

and the charge made recently that Canadian ships are being discriminated against, is the minister giving consideration to the establishment of a system of priorities in the light of what has happened in the last few days?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I am very glad to be able to assure the hon. member and other members of the house that the congestion at the Welland canal has now been, for all practical purposes, overcome. At nine o'clock this morning there were only four vessels waiting to enter the canal upbound at Port Weller and only four waiting to enter downbound at Port Colborne.

As I have said on several occasions in this house, about three weeks ago I instituted a system of partial priorities by which vessels carrying bulk commodities would alternate with package freighters. This system of priorities was discussed in my office during a session lasting about one and one half hours with the presidents of several large Canadian shipping companies and the president of the Steel Company of Canada. At the conclusion of that meeting all were eminently satisfied with the system of priorities worked out. I hope the hon. member and other members of the house feel that the steps that were taken at that time have been successful. I sincerely hope, as I know he does, that the Welland canal will be able to continue to operate satisfactorily in the future without too much delay.

Mr. Chevrier: Mr. Speaker, may I ask a supplementary question. In view of the minister's statement and also of the proposed visit of a convoy of United States naval ships, 32 in number, which will enter the seaway on June 26 or thereabouts, does the minister not think it desirable in the circumstances that this convoy of ships be allowed to remain in Montreal for several days rather than to go up the seaway and add to the congestion?

Mr. Hees: Mr. Speaker, I thought the hon. member might ask this question and I therefore came prepared. I am referring now to the statement by certain people that this United States flotilla might cause a delay of three days.

I would say that this is an exaggerated statement. I may say that the number of naval ships involved is 27, not 32. If the 27 naval ships were to present themselves upbound over a period when the canal would have been otherwise fully engaged in transiting commercial vessels, the delay would possibly be the best part of two days. I am informed that the plans of the United States navy contemplate passage of 27 ships between June 23 and June 28 inclusive.

It is not possible at this date to estimate accurately the result in delay to commercial vessels if this number of naval vessels have to be passed through in addition to the commercial traffic. At present the canal is handling both upbound and downbound traffic without appreciable delays; and as I have said, at nine o'clock this morning there were only four vessels awaiting entry at Port Colborne and four at Port Weller. This is considered to be a normal situation. However, a sudden influx of naval vessels, in addition to the regular flow of commercial vessels, could quickly restore the congestion we have just overcome.

I can assure the house that steps have been taken to bring to the attention of United States authorities the serious effect on United States, Canadian and other commercial shipping which could result from the passage of this considerable number of naval vessels. I have suggested to the United States authorities that the number of vessels might be reduced without reducing the effectiveness of the display, and that the ships which do pass through the canal do so at the rate of no more than two per day in order that the least possible delay be caused to commercial shipping. I have been assured that serious consideration is being given to my representations, and I expect an answer from the United States authorities in the course of the next few days.

NATIONAL DEFENCE

BOMARC MISSILE—INQUIRY AS TO CONSTRUCTION OF BASES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Minister of National Defence whether any Bomarc bases are at present under construction in Canada.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, a start has been made on the construction of a Bomarc station near North Bay.

Mr. Pearson: I have a supplementary question. Will the minister comment on the report of a statement he made in Winnipeg, I think it was, that no final decision has yet been made with regard to the use of the Bomarc?

Mr. Pearkes: Mr. Speaker, I made no such statement in Winnipeg. I was asked whether, if the United States tests on the Bomarc proved that the weapon was not effective, would Canada go on with the development of that weapon. I explained that the whole development of the Bomarc is being carried

out by the United States and that if the tests proved this weapon to be ineffective, of course Canada would not go on with the development by herself. To tell the truth I thought it was a rather foolish question, until I remembered that under the previous administration development of the Sparrow was carried on after the United States found that it was ineffective.

Mr. Pearson: I have a supplementary question. Does the minister not agree that it might be wise to postpone expenditure on bases of this kind until the Americans have made up their minds whether or not they are going to use the weapon?

Mr. Pearkes: No, Mr. Speaker. I think it is a wise precaution to be ready to receive this weapon as soon as it is made available by the United States authorities.

[*Later:*]

Mr. Pearson: I apologize for pressing my curiosity about the Bomarc, but could the minister give us the earliest approximate date upon which the Bomarc "B" could be made available to the R.C.A.F.?

Mr. Pearkes: My understanding is that it will be in 1961.

Mr. Pearson: May I ask a supplementary question. Could the minister give us the approximate time it takes to construct a Bomarc base?

Mr. Pearkes: I think it is about 18 months to two years.

(Translation):

[*Later:*]

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Secretary of State? According to press reports of some months ago, indeed several months ago, work was to go ahead on the building of a base for the Bomarc missile in the Macaza area. Can the Secretary of State tell us whether this work has begun? If so, how many men are employed on the project?

Hon. Henri Courtemanche (Secretary of State): Mr. Speaker, I am not the Minister of National Defence and, therefore, I am not in possession of this information.

Mr. Denis: A supplementary question. My question arises out of a statement made by the Secretary of State, when he was not Minister of National Defence. He stated at the time—

(Text):

Mr. Speaker: If the first question was directed to the wrong minister, it seems to me that a supplementary to the same minister would be out of order.

(Translation):

Mr. Denis: Mr. Speaker, may I direct a question to the Minister of National Defence? Could the minister tell us if work has started on the establishment of a Bomarc missile base in the Macaza area? If so, how many people are employed on the project?

(Text):

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the area around Mont Laurier is one of the areas in northern Quebec which is under consideration for a second Bomarc station.

HEALTH INSURANCE

NEW BRUNSWICK—INQUIRY AS TO INTENTION TO PARTICIPATE

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Has an agreement been signed between the federal government and the government of the province of New Brunswick in connection with Hospital Insurance and Diagnostic Services Act?

Hon. J. W. Monteith (Minister of National Health and Welfare): No, Mr. Speaker.

Mr. McWilliam: I have a supplementary question. Can the minister advise the house as to the cause of this delay?

Mr. Monteith (Perth): Mr. Speaker, negotiations have been going on for some time, and it is contemplated that an agreement will be signed between the federal government and that of the province of New Brunswick in a very short time.

POSTAL SERVICE

INQUIRY AS TO RESTORATION OF TWICE-DAILY MAIL DELIVERY

On the orders of the day:

Mr. Azellus Denis (St. Denis): I wish to direct a question to the Postmaster General. May I say that we are glad that he is back home after a week's absence. I am informed that he went out west to do some work for his department.

Some hon. Members: Question.

Mr. Denis: I am also informed that he was to—

Some hon. Members: Order.

Some hon. Members: Question.

Mr. Denis: The question will come in a minute. I understand that he was to investigate the possibility of establishing twice a day mail delivery. Is this information well founded; and if not, why?

Hon. W. M. Hamilton (Postmaster General): No, Mr. Speaker.

INQUIRIES FOR RETURNS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Minister of Citizenship and Immigration. Will the hon. lady be in a position today to table the contract with Dimensional Investments Limited respecting the Chippewa Indian lands?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I expect to have this document ready for tabling later this afternoon. I may just mention that the other day the hon. member for Trinity was a little critical of the time it took to produce this document. I am sure when he sees it he will realize why it would take so long to produce this rather voluminous document with a great deal of statistical material.

Mr. Pickersgill: I wonder if I could ask the Secretary of State if he is yet in a position to table the return concerning which I made inquiries on Friday?

Hon. Henri Courtemanche (Secretary of State): Several departments are concerned, and I have not received all the information which is required by the hon. member.

Mr. Pickersgill: Would the Secretary of State consider tabling the information which he has received from the Department of Finance?

Mr. Courtemanche: As soon as I have received it.

(Translation):

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to direct a question to the Secretary of State. Could he tell me when I can expect an answer to the two questions I asked him, the first on March 12 and the other on April 8? They are recorded under numbers 266 and 317.

Hon. Henri Courtemanche (Secretary of State): Mr. Speaker, I must tell the hon. member for Essex East that I shall have to check, as I do not recall if those documents were procured.

Mr. Azellus Denis (St. Denis): As a supplementary question, may I expect my question to be answered before that of the hon. member for Essex East?

(Text):

INDIAN AFFAIRS

CHIPPEWA RESERVE, SARNIA—INQUIRY AS TO EXPROPRIATION PROCEEDINGS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): The hon. member for Trinity asked the Minister of Citizenship and Immigration on Friday whether Ontario hydro had made any approach to her department with a view to making a direct purchase. Is the hon. lady in a position to answer that?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Yes. The answer to the question asked by the hon. member for Trinity is yes; an approach had been made, and it was suggested to the hydroelectric power commission that they discuss the matter with the Sarnia band. This was done, and at a meeting on August 21, 1958 the band authorized the commission to negotiate with the individual Indian locatees for the purchase of the land they wished to acquire. One week later, on August 28, 1958 the band council withdrew this authority and in turn authorized the Crown Trust Company to negotiate options from the locatees. The reason given in the band council resolution is as follows:

> This is being granted with the full knowledge that previous authority was granted the hydroelectric power commission to take options and deal with the locatees for other portions of our reserve. However, council takes this action because they feel that the offer from the Crown Trust Company of Canada will be of greater benefit to the whole band, and by this resolution revoke the authority granted to the hydroelectric power commission.

LABOUR CONDITIONS

SUMMER EMPLOYMENT—REQUEST THAT CANADIAN STUDENTS HAVE PRIORITY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): I rise merely for the purpose of referring to an answer I gave at page 4265 of *Hansard* to the hon. member for Beauce, who had asked me a question. I said I would reply on Monday. However, as of today there is no information in respect of this matter. The department has asked for a report from the London office, and they expect that the answer can be supplied tomorrow.

EXTERNAL AFFAIRS

NATO—REPORTED FRENCH REQUEST TO SHARE IN ATOMIC SECRETS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs whether he

cares to comment on a press report which has just come over the wire to the effect that the president of France has served notice that France is going to make no further commitments to the North Atlantic Treaty Organization unless and until the United States and Britain share their atomic secrets with that country?

Hon. Howard C. Green (Secretary of State for External Affairs): I think I could make no helpful comment on that dispatch at the moment.

CIVIL DEFENCE

REQUEST FOR STATEMENT BY MINISTER OF NATIONAL HEALTH AND WELFARE

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to direct a question to the Minister of National Health and Welfare. In view of the fact that we are approaching what may be the end of the session, in the unforeseeable future; in view of the fact the minister has not, in 18 months, made a comprehensive statement on civil defence, and in view of the fact there has recently been a conference with the provinces on this matter, will the minister indicate when he proposes to make a full statement on this important matter on behalf of the government?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the hon. member is not correct in stating that there has not been a comprehensive statement on civil defence. Last year, at the time my estimates were being considered, I did make a statement, and my estimates will be before the committee again shortly. At that time I shall be pleased to deal with the subject again.

Mr. Martin (Essex East): Will the minister say when he will be prepared to give us what is the government's policy with regard to both shelter and evacuation?

Mr. Monteith (Perth): I think I have answered that question several times as put by the hon. member. I have said that this is being given prior consideration.

Mr. Martin (Essex East): Would the minister kindly indicate what that means?

SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

ATLANTIC PROVINCES—ALLEGED FAILURE OF GOVERNMENT TO IMPLEMENT PROMISES

Hon. J. W. Pickersgill (Bonavista-Twillingate): So that I may relieve members on the treasury bench of any suspense they may have in the matter, I can say that it is my intention before I resume my seat to move an amendment which in effect will ask the house to regret the failure of the government to implement promises made before the last two elections to the people of the Atlantic provinces.

I am sure this is one occasion when even with the greatest ingenuity—and I have no doubt that the greatest ingenuity will be employed in this case—it will be very difficult for the administration to get up, when I have completed, and say, "you did not do it; why didn't you do it?" I say this because the things about which I intend to speak this afternoon are things which the hon. gentlemen opposite, particularly their leader, promised and undertook to do; and because they are promises which, except in one or two cases where I will indicate the contrary, were not made by us and were not made by the federal government before 1959.

Thus there can be no question of any obligation on the part of the Liberal party or of the former Liberal government to undertake these things. Indeed, I am not sure that many Liberals would subscribe to all the promises that were made. But whether they would or not, the fact is that they were not made by Liberals and they were not made by the Liberal government and, as I intend to show in a moment or two, with one or two exceptions they have not been carried out, either.

Mr. Speaker: I wonder if I might interrupt the hon. member to ask for better attention. There seems to be more than the usual amount of competition, and I hope it will soon subside.

Mr. Pickersgill: I appreciate your courtesy in making that suggestion to hon. members. It is not a favour which I have ever asked myself; on the whole I have been reasonably successful in securing the attention of the house, and I certainly have no complaint to make about lack of attention in respect to those things which, from time to time, I feel it expedient to say.

As I said when I began my remarks, the stock answer to every suggestion on our part that the government should do what they promised to do has been, for the past two years, "Why didn't you do it?" I pointed out that nearly all the promises to which I will refer today were promises made by the Conservative party and not by the Liberal party. It was presumably in large part by virtue of those promises that the Conservative government obtained the substantial measure of support it did succeed in getting, particularly in the second election, in the four Atlantic provinces—a majority in all the

provinces but one and, I regret to say, all the members in two of those provinces in 1958.

There is some evidence that some of the people in those provinces, perhaps a majority of them, are already beginning to have second thoughts. I should like to think they are having second thoughts because they now feel that the Liberal program which was placed before them in 1958 was so much better than the Conservative program that they should have voted for it. However, I do not flatter myself that this is the case. The view I hold is that what they are doing is what people all over the country are doing, namely judging the government, not the opposition, because it is the government which has the responsibility, having received so overwhelming a mandate, for carrying on the affairs of this country. It is not the opposition which has that responsibility, and the eyes of the country are, in my view, focussed upon the government, and it is the government which is being judged.

Mr. Starr: Like in Manitoba?

Mr. Pickersgill: It was the government of the province, if the hon. gentleman will recall, that was being judged in Manitoba. I would be more inclined to say "like Toronto in the constituency of Trinity" if the hon. gentleman wants the last judgment which was made on this government by electors in a federal election. And I may say that the hon. gentleman's friends in Manitoba were very anxious to dissociate themselves from any contamination by the federal government; indeed, the premier said after the election that the election had been decided purely on provincial issues.

Mr. Hees: What about Montmagny-L'Islet?

An hon. Member: What about Springfield?

Mr. Pickersgill: Considering what the vote was in Springfield in March, 1958 I do not think the hon. gentleman can take a great deal of satisfaction over the very narrow win his party managed to scrape up there.

An hon. Member: And Montmagny-L'Islet.

Mr. Pickersgill: I might suggest to some of the hon. members who are sitting in what is usually called "the rump" that it is really a waste of time to interrupt me this afternoon, because under the rules of the house I have unlimited time, and nothing they may say will prevent me from completing what I intend to say, though it may remind me of a few additional points.

I was suggesting that this government is being judged already on the record of its performance, and while I do not regard the evidence of Gallup polls as infallible—the only evidence which we in this house can take as infallible in these matters is the evidence of the election itself—we do know that ever since 1943 when these Gallup polls were first taken in this country they have, on the whole, been a fairly good indication of what the vote would be in both federal and provincial elections. Hon. members will recall that in the most recent Gallup poll in the four Atlantic provinces the support which was indicated for the Progressive Conservative party by those who were asked questions was below that which it was indicated would be given to the Liberal party.

As I say, I do not attach any exaggerated importance to that, but considering the overwhelming support which was given to the party opposite in at least two of those provinces at the last election, I do think there is an indication that there is a very marked change in sentiment in that part of the country.

I have no doubt whatsoever that the government will claim credit, and very considerable credit, for two things which have happened in the Atlantic provinces since they took office. I for one will say right off, as I said when the legislation was introduced and as I have said publicly and privately ever since whenever I have had occasion to speak about it, that I give the government full credit for the special grants to the Atlantic provinces. The measure, which was brought in by the Minister of Finance in January of 1958, provided the sum of $25 million a year for a period of four years, up until the tax-sharing arrangements presently provided for by law expire.

This measure was a source of considerable and very badly needed financial help to the Atlantic provinces. In the light of the experience in the past two years in those provinces I think there is not much doubt that if this action had not been taken the governments of at least some of those provinces would either have been obliged to curtail existing services to some degree or to impose additional provincial taxation. Indeed, one of the provinces, the most populous one, has proposed additional taxation in any case, though that taxation is earmarked or related to a specific and particular measure.

One of the reasons there has been the necessity for this increased financial assistance to the treasuries of these provinces is precisely the economic conditions through which the country has been passing. I do not intend to go into great detail on that subject, but I should like to give one rather striking illustration. In the month of March

of this year the relief costs which had to be met out of the treasury of the province of Newfoundland—though, of course, half of this is reimbursed by the federal treasury under the unemployment assistance legislation—amounted to $324,884.

That may well be the peak month of the year. We certainly hope it is, but it may not be. It may be that when the figures for April are available they will be higher still, because it must be remembered that these relief costs do not immediately vanish with an increase in the level of employment in a province. As the spring advances more and more persons come to be out of work, particularly in this province where the proportion of seasonal workers is greater than the national average. There come to be more and more people out of work who have also exhausted their benefits under unemployment insurance and who are obliged therefore to resort to provincial or local relief.

There is no doubt that these costs alone have been very materially increased in all the Atlantic provinces, particularly in this last year, much more than in the year 1957-58, because there was a much bigger backlog of unemployment insurance benefits in 1957-58 than was available in this past fiscal year.

However, I come back to my original point. I want to give the government full credit for what I believe is bound to be required as long as the Atlantic provinces have a lower level of economic activity and on the whole lower incomes than the rest of the country.

I wish to turn to what I consider should be a permanent part of our federal-provincial financial arrangements, and that is some special arrangement for all the provinces and not just for the Atlantic provinces. As I pointed out to the Minister of Finance at the time of the introduction of the Atlantic grants, I think a formula should be worked out between now and 1962 that is capable of application to all the provinces and not merely to the Atlantic provinces, a formula that will be embodied in whatever may succeed the tax-sharing legislation. I do not intend to labour this point at all. I was simply making the point that I do give the government full credit for having taken this step.

I know it could be said, "Why did you not do it in 1956?" Well, I think the principal reason we did not do this in 1956 is illustrated by what we did do in 1956. We increased the payments or the abatements to the provinces under the tax-sharing arrangement from something over $500 million to substantially over $600 million over the whole country. This represented assistance of a considerably larger amount than is represented by all the things the federal government has done in this field in the last two years. Mr. St. Laurent and Mr. Harris, in statements that were referred to by the Minister of Finance the other day, indicated quite properly that they felt, at that time, that as much of the national budget had been devoted to this field as it was felt possible to devote on that occasion.

Notwithstanding that, as the representative of a constituency in the Atlantic provinces I am very glad this government has seen fit to do more in this field. As I say, I am not criticizing it in any way, but am merely making what I think is the constructive suggestion that when it becomes a part of our regular fiscal policy, as I hope and expect it will, it will be based on a formula that could be applied, for example, to the province of Saskatchewan if it should ever find itself in conditions at all approaching those which so regrettably occasioned the original tax-sharing proposals of 20 years ago.

We hope that will never happen. We hope too—and this, of course, was pointed out by Mr. Kirk, the former member of this house for Shelburne-Yarmouth-Clare at the time the minister brought down this legislation—that the day will come when the level of economic activity and the level of incomes in the Atlantic provinces will be such that what are essentially deficiency payments to these provincial governments because of lower incomes in those areas will no longer be necessary. But that will be some time in coming, even if we have in the future the kind of advance in those provinces that we have had in the past 20 years, and about which I intend to say something a little later on.

The other thing for which the government will undoubtedly seek to take credit, of course, is the program for assistance in the development of thermal power and assistance in interconnections through assistance to transmission lines between the provinces of New Brunswick and Nova Scotia, assistance which I am glad to note the Prime Minister offered to extend to a transmission line in the province of Newfoundland in a recent message which he sent to the premier of Newfoundland and which I understand is under very active consideration there at the present time.

About this I cannot offer the government any similar congratulations. In all but two respects this program, of course, is precisely the program that was announced by the former minister of finance in his budget in 1957, and expanded upon by the then minister

of northern affairs and national resources, Mr. Jean Lesage, in this house before the election of 1957. There were two adaptations made in this program, neither of them in my opinion advantageous to the Atlantic provinces.

I want to say a word about each of them. The first was with respect to ownership. In the original proposals made by Mr. Harris and Mr. Lesage it was suggested that the federal government should own those new facilities, those new thermal plants and those new transmission lines, but that the province should have the option to buy them at its convenience. Under the existing legislation what happens is that a loan is made to a province, a long term loan at the current borrowing rate of the government of Canada, with the usual allowances. And I make no criticism of that; but let us consider for a moment the effect of this change. Under the system we proposed the federal government could have gone ahead, if the province wanted —and, of course, we could do nothing under either scheme unless a province wanted—with thermal plants and even with transmission lines somewhat in advance of the demand for the power, and the federal treasury would for that period, until the demand caught up, have carried that burden. It would have been some burden upon the federal treasury; we knew that. We intended that, we proposed that, when the original scheme was put before parliament.

Under the present scheme the province must start paying interest on the loan and start amortizing the loan immediately. So there would have to be, in view of the much more restricted financial base that each of those provinces has, if you like more prudence; but I would rather put it this way. There has to be a real certainty of an almost immediate demand for the power or it is not going to be developed. What we were suggesting was that we should go a little ahead of the demand, provide the additional power and have it there as an attraction, as a sort of magnet for the development of users of the power.

Of course if the level of economic activity that existed in 1956 and early 1957 had continued that would not have been a problem, because it was quite clear that if the curve of demand was going to continue at the rate it then was going on there would be no doubt about the demand, but we have seen that these things can change very quickly. We have seen, for example, that in the case of Beechwood, which the government of New Brunswick considered was very necessary to that province and very urgently needed, they have found it necessary to export some of this power to the United States.

Mr. Bell (Saint John-Albert): May I ask a question?

Mr. Pickersgill: Certainly.

Mr. Bell (Saint John-Albert): Would the hon. member like to take time to tell us why the old administration was not interested and did absolutely nothing about Beechwood?

Mr. Pickersgill: Yes, I would be glad to, but I do not know whether it would be very profitable to the hon. gentleman, to the house or to anyone else. The first reason, of course, was that up until that time the federal government had never taken part in power developments in any part of Canada except in the Northwest Territories; that the development of hydroelectric power was one of those things that was either left to private enterprise in some provinces or in others it was an exclusively public responsibility; and to take a step in one particular province in one particular case without having a policy which could be applied in the right circumstances right across the country was something which was—I think I can speak for my leader—then and is now and I hope always will be contrary to the policy of the Liberal party.

Mr. Bell (Saint John-Albert): Then you will stay where you are.

Mr. Pickersgill: Maybe we will stay where we are. Maybe the hon. gentleman thinks that a little special bid to someone here and a little special bid to someone somewhere else, without principle, is the right way to get into office. I am not sure it is the right way to stay in office. I think before I am finished I may be able to show that to the hon. gentleman.

Mr. Hamilton (Qu'Appelle): Will the hon. member permit a question?

Mr. Pickersgill: Perhaps the minister's question could be left until I have finished answering the first question.

The second reason, of course, is that the Beechwood project was one that at the time was considered to be entirely within the capacity and the resources of the province. What we felt it was desirable to do when the province represented that it needed still more power, and very substantially more power than was going to be available from Beechwood, was to provide something constructive and additional, and that is in fact what was proposed in 1957.

Mr. Hamilton (Qu'Appelle): May I ask the question now?

Mr. Pickersgill: Yes.

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Mr. Hamilton (Qu'Appelle): Mr. Speaker, I would like to know this. When the hon. member asked the Leader of the Opposition (Mr. Pearson) whether he agreed with that statement, did he not assent?

Mr. Pickersgill: Well, I shall let the Leader of the Opposition speak for himself. Perhaps I should not have said that.

Mr. Pearson: Mr. Speaker, seeing that I have been asked whether I nodded assent, I might tell the minister that over here we base our policies of assistance on principle and not on hand-outs.

Mr. Hamilton (Qu'Appelle): Thank you very much, Mr. Speaker.

Mr. Bell (Saint John-Albert): Beechwood was a hand-out.

Mr. Nowlan: Beechwood was a hand-out; that is a nice one.

Mr. Pickersgill: Was it not? The hon. gentlemen think that embarrasses me. It does not embarrass me a bit.

Mr. Pearson: Nor me.

Mr. Pickersgill: Nor does it embarrass anyone on this side, including the members from the province of New Brunswick.

At the time the present administration asked parliament to vote assistance for Beechwood, the project was completed. All the federal government were doing was taking over the mortgage, and that was all we were doing. It was not anything new or constructive. I put a series of questions on the order paper. I have not them here at the moment, but they will be found in *Hansard* for 1957 and 1958. I asked the Prime Minister, or I asked the government and the Prime Minister replied, whether or not assistance on the same principle would be applied to other provinces. I was told in the answer that it would be. I sought vainly in the debates on two bills by every device of questioning that I could think of—and I do not think, sir, I am entirely without ingenuity in this field—to find out what that principle was, and there was—

Mr. Pearson: There was not any.

Mr. Pickersgill: The government could never tell us what that principle was. I asked the Minister of Northern Affairs and National Resources who raised the question, over and over again what the principle was on Beechwood so that we in Newfoundland could apply the same principle there, and I could get no answer.

The minister perhaps knows that at the very time Beechwood was being built a thermal plant was being built in St. John's, Newfoundland, the interest rates that private interests had to pay were even higher and in consequence the cost to the consumers was going to be higher. I hoped the policy on Beechwood was going to be a policy that was going to have some similar application in Newfoundland.

Mr. Hamilton (Qu'Appelle): What private power plants are we helping now?

Mr. Pickersgill: Well, on that point, sir, it does not appear to make any difference to the consumer of electricity in a province whether he gets the power from a private power plant or from a publicly owned plant. What he cares about is how much it costs. It does seem to me that if we are going to say we will provide the help to completed plants, we will take over the mortgage and the cost of certain publicly owned ones in one place because we have a political debt to pay and we will not do it in another place because we have not, that is a pretty good definition of what the Leader of the Opposition describes as a hand-out.

Mr. Pearson: That is the only principle they have over there; political.

Mr. Pickersgill: Quite. However, sir, this question of Beechwood—as no doubt hon. gentlemen opposite expected it would be—is a diversion from the main point, and I come back to my main point. I do not think there is any doubt whatever that if there had not been a change of government in 1957 there would have been thermal plants built already in Nova Scotia and probably in New Brunswick using coal; and I emphasize that because that is my second point. That is the second point of difference between our policy and the policy of the present administration.

Mr. Bell (Saint John-Albert): This might have taken place?

Mr. Pickersgill: Well, the only reason it would not have happened is if the government of New Brunswick and the government of Nova Scotia refused to have them built. I do not think, once the election had been over, there would have been any danger of that because both premiers came up here in the spring of 1957 and accepted the scheme in principle, and it was only later on, late in May, that they began to have scruples about which we heard a good deal on the hustings.

Mr. Nowlan: That is sheer nonsense.

Mr. Pickersgill: It happens to be quite factual.

Mr. Nowlan: You were out campaigning in the maritime provinces.

Mr. Pickersgill: They did in fact come here, and they both made public statements to the press. I have not got them under my hand but I could produce them for the hon. gentleman to read although I know I do not need to, because he knows perfectly well that statements were made that our scheme was accepted in principle. I grant that acceptance of a plan in principle does not mean that all the details will be accepted, but I have not the slightest doubt that if there had not been a change of government this is what would have happened.

I say so for this reason, that under the policy with respect to coal enunciated in 1957 by the then minister of public works, while we were still in office, we took the view and said publicly that these plants must charge against consumers only the cost of the cheapest fuel and that the federal government would give a subsidy so that coal would never be more expensive than the cheapest fuel. In other words, if oil were cheaper we would give a subsidy as between the cost of oil and the cost of coal, but if coal were cheaper there would be no subsidy. That was our policy.

What was the policy of hon. gentlemen opposite with respect to coal? They said they would reduce the price of Nova Scotia coal to the price of Pennsylvania coal in Ontario. That is the difference between the two, and I suggest that in the one case it was certain coal would be used because it was bound to be as cheap as oil. The province is certain to do so if the province wants to use it. Of course if the government of either of these provinces of its own motion prefers to have oil used, notwithstanding the coal problem in the maritimes, that is another matter, and naturally we could not have compelled them to do it. However, I fancy that public opinion would have taken care of that situation in the circumstances I envisage.

But it is quite conceivable, of course, that in certain circumstances, at certain times and with certain kinds of oil or oil by-products their cost might be even lower than the cost of Pennsylvania coal in Ontario, and if that should be the case then the subsidy the present administration is offering would not be sufficient to make coal the cheapest fuel. These are the two differences and, as far as I know, the only differences between what we proposed and what hon. gentlemen opposite embodied in their legislation.

But there is a very great difference between what I think it is reasonable to suppose would have happened under our proposals and what in fact has failed to happen under proposals of hon. gentlemen opposite; because I understand that with the exception of the Trenton plant in Nova Scotia, which incidentally was started by the previous Liberal provincial administration, no firm commitment has yet been reached after two years for federal aid to any thermal plant in either Nova Scotia or New Brunswick. If my information is not entirely up to date I would, of course, be glad to have it corrected, but according to the last information given to us by the Minister of Northern Affairs and National Resources that was the situation.

When we come to the other promises in the program of hon. gentlemen opposite, and I intend to take them up in some detail, we find that the record is very different. These promises appeared in many forms and guises before the election of June 10, 1957, but I have here a very large, almost full-page, advertisement which appeared in the Halifax *Chronicle-Herald* of June 8, 1957. May I say that the advertisement was inserted by the Progressive Conservative party of Canada, so I do not think there is any doubt that this may be said to have represented the official position of the whole party. It was not inserted by the local party in the Atlantic provinces, though it was directed to the Atlantic provinces. It reads as follows:

> Before you vote read "the Atlantic resolutions" endorsed by every Progressive Conservative candidate in the maritimes, a call for united action at Ottawa. We, the Progressive Conservative candidates from the 31 federal constituencies in the Atlantic provinces, believe that just demands of the Atlantic community for recognition of their economic problems and special needs urgently require more united and forceful representation in the parliament of Canada.

I refrain from any comment about that.

> In keeping with the growing co-operative spirit of the people of the Atlantic community, which has already led to the creation of APEC and to the conference of Atlantic premiers, we are resolved to stand together in support of these measures which will help to overcome the historic disabilities which have limited and even denied opportunity to this area. We believe our young people have the right to opportunity at home and we are convinced that only by united action by all individuals and at all levels of government and through constructive efforts of private organizations can this right be made real. We believe that all those who live in this Atlantic community are entitled to the benefits of opportunity and security which shall be no more but certainly no less than all Canadians have the right to enjoy.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I was going to say, sir, that these are general sentiments that all of us would applaud, but the applause preceded my observation. But I come now to the particular points, and I doubt if there will perhaps be the same appreciation of them.

> National resources development program. We emphatically endorse John Diefenbaker's policy calling for a national development program; we will

urge that such a comprehensive program permit federal assistance to the Atlantic provinces for the purpose of developing our resources for the maximum benefit to the Atlantic economy and give as well proper recognition to the differing needs of the provinces and to their varying financial capabilities.

I come now to the second point, because I should like to discuss the two of them together. After all, the first one is pretty nebulous but the second one is much more precise. It is called "Decentralization of Industry."

By united and resolute representation from the members of parliament from the Atlantic provinces, we believe that all Canadians will support a federal program of industrial decentralization. We will urge that (1) the Atlantic provinces receive a more equitable share of defence contract expenditures; (2) that crown corporations be established in the area; (3) that special fiscal consideration be given to private enterprises—

I draw that to the attention of the Minister of Northern Affairs and National Resources, who seems shocked at the suggestion that any help should be given to private corporations.

Mr. Hamilton (Qu'Appelle): Private power.

Mr. Pickersgill: I continue:

—which will encourage the location of industry in the Atlantic area and, further, encourage the processing of our natural resources here.

On these three specific points there are still certain questions on the order paper that were asked by the hon. member for Grand Falls-White Bay-Labrador (Mr. Granger) and myself, but one of the questions based on these resolutions was answered last Wednesday by the Minister of Defence Production (Mr. O'Hurley), who asked leave to put his answer on *Hansard* because he said it was too long to read. I agree with him that it was far too long to read, but I think there was another reason why the minister was not particularly anxious to read it, in that in spite of its length, it says precisely nothing.

What was promised was a more equitable share of defence expenditures. The minister indicated, when I asked him a question about this matter in the committee on estimates a year ago, that a scheme was under consideration for providing a more equitable share of these expenditures in the Atlantic provinces, but it is perfectly clear from reading this answer that no such scheme exists; because these were the minister's words as found in the second paragraph of the statement:

My department continues to rely, wherever possible, on countrywide competition to obtain the best value for the money spent and to provide an opportunity for all competent and interested Canadian suppliers to compete for defence supplies.

I do not question the minister's figures, and that it may be that a slightly larger—

Mr. Diefenbaker: Would the hon. gentleman say what is the date of his reference to *Hansard*?

Mr. Pickersgill: Last Wednesday, June 3, 1959. In the last fiscal year a slightly larger percentage of defence expenditures were made in the Atlantic provinces, although total expenditures were slightly lower. I am sure that is a fact. I have not attempted to verify the minister's statement, but on examination of these expenditures I think it will be found that a high proportion of them would have been on what might loosely be called real estate, that is to say the developments of camps, fixed installations and things of that sort. I might say that to the best of my knowledge no new defence establishment has been founded in the Atlantic provinces by the present administration. My leader says some may have been closed. About that matter I have not any precise information but certainly I know of no new one that has been opened.

I think many of those engaged in defence activities in the Atlantic provinces are extremely worried, particularly in the light of the rather uncertain state of the armament of the Royal Canadian Air Force, as to what its role is likely to be. I know that many others in the army are extremely worried about what their role is likely to be under the uncertainty which now seems to hang like an impenetrable cloud over the Department of National Defence. Whether any defence establishments have been in fact closed yet, I do not know. Oh, my leader is usually right. There is the naval establishment at Port Edward. If it has not been actually closed, its activity was certainly seriously curtailed; and that is in Cape Breton of all places. I am very grateful to my leader for the reminder.

Mr. MacEwan: Who prompted you to say that? Did Henry Hicks tell you to say that?

Mr. Pickersgill: It happens to be a fact. I happened to recollect it for myself. I have not found it necessary very often to get other people to tell me what to say in this house or elsewhere. I am quite willing to take the responsibility in this house or elsewhere for whatever I may say, even if sometimes I do not say the wisest things in the world. I am quite willing to admit that I have never fancied myself so much that I thought I was an invariable fount of pure wisdom.

I now come to the other two points of this second clause. The second one is that crown corporations are to be established in the area. There may have been crown corporations established in the area, but if there are, apart from the extension to the area of the

Northern Canada Power Corporation or whatever the name of it is which was in existence before that time, and I think it was even designated for the purpose by the previous administration, I am not aware of any other federal crown corporations that have been established for the purpose of promoting the decentralization of industry in the Atlantic provinces. If there have been such crown corporations established and I have overlooked them, and if any member of the government points them out, I shall certainly be glad to make a rectification.

The third point is that special fiscal consideration be given to private enterprise which will encourage the location of industry in the Atlantic area and further encourage the processing of our natural resources. I presume that means fiscal considerations given in the Atlantic area that were not going to be given in other parts of the country. I know of no such considerations. Indeed, far from having any fiscal considerations in this field, we have had fiscal "deconsideration" if I may coin a word, because of the necessity under which the government has found itself to increase the corporation tax in order to attempt to fill part of the vacuum in the treasury. In addition, of course, the legislation which is now before a committee of this house to increase the charges upon employers and employees under the Unemployment Insurance Act will not have the effect of promoting industrial development either in the Atlantic provinces or anywhere else.

Mr. Bell (Saint John-Albert): May I ask a question at this point because I think it is quite important?

Mr. Pickersgill: Yes.

Mr. Bell (Saint John-Albert): The hon. member says his government would not have helped Beechwood because it would have been a special consideration. A minute or two ago he criticized us for not having done something that is a special consideration in itself. Can he bring those things together and at least be consistent about his speech on this occasion?

Mr. Pickersgill: Yes, I can be very consistent. I have always thought I ought to pay my own promissory notes but I never thought I was under any compulsion to pay those of the hon. gentleman. I did not sign this advertisement but the hon. gentleman did so. It seems to me that all public men should be judged by the same standards, namely do they keep faith with the people, do they keep their promises. I did not contract nor did any member of my party that special fiscal consideration would be given for this purpose. There is therefore no reason why we should be in favour of it when we charge other people with failing to keep their promises.

Mr. Bell (Saint John-Albert): Why will not the hon. member give us credit for putting Beechwood in under this special fiscal consideration?

Mr. Pickersgill: The hon. gentleman is entitled to take all the credit he wishes for Beechwood; I do not care how much credit he takes for Beechwood. I merely state that Beechwood did not appear to me to be different, in principle, from other power developments, even in New Brunswick, or elsewhere across the country as a whole. That was the reason we did not see fit to do it. It seems to me that was a perfectly honest and straightforward attitude, and it has been expressed many times previously. It was given by Mr. St. Laurent before the election because Mr. St. Laurent, as the hon. member knows, never attempted to conceal even unfavourable things or things that might be unfavourable in a particular locality, and it was all the more credit to him, in my opinion.

I should now like to draw attention to certain other supplementary statements that were made in the elections of 1957 and 1958 that seem to me to relate fairly directly to these two points. I have not finished with this document yet but I should like to deal with the natural resources program and the decentralization of industry. I have not paid much attention to what was said in those elections by anyone except the Prime Minister, simply because I did not think it would be fair to take too much of the time of the house in dealing with them, even though my time is not limited. I should now like to draw attention to the statement made by the Prime Minister at Cambridge, Nova Scotia on June 3, 1957 as reported in the Halifax *Chronicle-Herald* of June 4 of that year. According to this report in the Halifax *Chronicle-Herald* the Prime Minister said:

> The federal government had overtaxed the people by $500 million last year, he said, and this would likely be increased to $700 million this year "if they remain in office". Mr. Diefenbaker said his party advocated "equal opportunity for all Canadians".

I will read on:

> In Nova Scotia, he said, the average personal income had decreased 5.9 per cent from $886 in 1946 to $815 in 1955. The Canadian average personal income increased during the same period from $1,025 to $1,078.

I presume the Prime Minister verified those statements. I have not attempted to do so. He went on to give similar figures for Prince Edward Island and New Brunswick. Then the press report continues:

> Mr. Diefenbaker advocated a national development program encompassing decentralization of

industry which, he said, would help Nova Scotia to keep her sons and daughters at home.

No details, of course, were given in that report. Then on April 29 at Charlottetown as reported in a Canadian Press report in the Ottawa *Journal*, of April 30, we find these words:

If some of the economic conditions in the maritimes existed in western Canada, members of parliament from the west would soon let the country know about it.

That is the Prime Minister. To continue:

He could not understand how the maritimes time after time elected Liberal members "who make their greatest contribution in the silence they preserve".

A moral can be drawn from that, which I will leave the hon. members on the other side of the house from the maritime provinces to draw for themselves. Then, I continue quoting from this article:

And at Charlottetown (the above had been said at Summerside) with the province's four Conservative candidates on the platform behind him, he added: "You people in Prince Edward Island want action. Then, send these four candidates to the House of Commons. We'll give you action."

I believe the people of Prince Edward Island, with the exception, of course, of the Atlantic provinces grants which were very acceptable and which were made before the second election, would be interested in what the additional action has been.

Then, at St. Stephen—this is from the Saint John *Telegraph-Journal* of May 4, the Prime Minister is reported to have said on May 3:

At St. Stephen, Mr. Diefenbaker spoke of maritime rights and said the eastern provinces should not be "back-benchers in a confederation of equals".

The Conservative party had made confederation possible. If elected, it would work out with the provinces a new deal that would remove the "inequities that too long have held back the maritime provinces".

Then, he quotes the same figures again for income and he added:

"That's a challenge which should demand action."

I might say I took this particular quotation from St. Stephen because at Milltown, which is immediately adjacent to St. Stephen, there was at that time a textile plant which was in operation. The last thing I heard about that textile plant was in February when I was in Fredericton, and the machinery had been sold to someone in the Dominican Republic.

Mr. Grafftey: Who was it that objected to our dumping duties?

Mr. Nowlan: Is that the St. Mary's plant to which the hon. gentleman refers?

Mr. Pickersgill: No, this is Milltown. The other plant is at Marysville, near Fredericton, and it is in operation. I read in the Fredericton *Gleaner*, which is I believe a very reliable newspaper, that the machinery in the Milltown plant had been sold to someone in the Dominican Republic.

Then, there is a Canadian Press report in the Montreal *Star* of June 3, 1957 in which the Prime Minister is reported to have said at Lunenberg:

—economic conditions must be made such "that maritimers will be encouraged to stay in the area rather than migrate because they cannot get their proper share of the economy.

"I want to see that all Canadians get their share. That is the abiding purpose of my life."

This is a very noble sentiment. The Minister of Labour has told us that in certain parts of the Atlantic provinces today the federal government is paying expenses of people to move away to other parts of the country where they can get work.

Then again at Campbellton, New Brunswick, on May 4, as reported in the Halifax *Chronicle-Herald* of May 6; the Prime Minister is reported to have said:

—the Liberal government for years has been content to allow export of raw materials for processing in other countries.

Here is a quotation:

"If we're to build the country and provide jobs . . . it cannot be done by exporting employment to the United States in the form of raw material."

A Conservative government would carry out a program or regional development "to round out Canada's first 100 years as a nation."

This was said at Campbellton. Well, what about raw materials—

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

Mr. Pickersgill: Perhaps the hon. gentleman would allow me to continue and I would be delighted to answer his question in a moment. In that area, at Campbellton and in the Bathurst area, as hon. members know, unhappily the very considerable minerals discovered there are not being exploited at the present time. I read some of the reports of the Iron Ore Company and the other companies mining in Labrador and Ungava and they claim that their exports of iron ore are increasing.

Then, here is another quotation from the same place, and this is in direct quotes:

We in this party have launched in every part of this country a national development plan, and the purpose that we have in mind is to assure that your sons and daughters may remain within this province, instead of being forced by economic necessity to leave for other parts of Canada or the United States.

Everyone would like to see that, of course, but the fact is that what has happened does not correspond with what was hoped for.

Then again at Campbellton, in that same speech, and this is in direct quotes:

In order to persuade business firms it is to their advantage to process our raw materials here in Canada, we must show them by tact and other inducements that they will save money by processing those materials in Canada. I say this to you: If we form a government we will introduce legislation which will provide such inducements for we intend to see that Canada shall become the great industrial nation which her raw materials make possible.

We have not seen this legislation. Then, the Montreal chamber of commerce were told on February 19, 1957, and this was about inflation and tight money, by the Prime Minister:

The dread problem of inflation will not be met by regulations which while effective against the individual permit government to have and enjoy the sole privilege of contributing to inflationary pressures.

Then, there is this:

Federal government expenditures constitute the biggest inflationary factor in our economy.

Federal government expenditures are very considerably more today than they were when that speech was made.

Then, at Truro on May 1, as reported in the *Globe and Mail* for the following day, the Prime Minister said about this tight money policy:

Through its tight money policy, he added, the government has throttled the capital investment which maintains economic growth, supports welfare expenditures and provides full employment.

Small and medium businessmen, farmers and fishermen have been squeezed and even forced into bankruptcy by government policy, he added. "We contend and have contended that this is economically unsound", he said.

As a result, he added, provincial governments and school administrations have had to pay excessive interest rates to finance vital public works and improvements. There has been regional discrimination, Mr. Diefenbaker charged, in the distribution of available credit with the maritimes and western provinces bearing the brunt of this inequality.

I think in the maritimes, the western provinces and everywhere else today there is no provincial government, no school administration, that can borrow money at the interest rates which were prevailing in February of 1957. If these things were going to be remedied, the remedy has been worse than the disease.

There is another report of the same speech at Truro, and this is from the Halifax *Chronicle-Herald*:

The little man—the farmer, the fisherman and the small businessman—is being crushed by the Liberal government's tight money policy, John G. Diefenbaker, national leader of the Progressive Conservative party, said here Wednesday night. The real causes of inflation in this country are over-spending by the federal government and too-high taxes, he said.

Then, at Cambridge, Nova Scotia, on June 3, 1957:

Unemployment in Canada had reached the 300,000 mark because of the tight-money policy, he said.

He said that the tight-money policy had struck a "hard body blow" at small business in Canada and he promised that a Progressive Conservative government would bring into operation a policy whereby a loan fund would be available at low interest "so that small business won't be driven out by larger groups".

Well, where is it?

Then in the second election, in 1958, the Prime Minister made one or two references to interest rates. At that time interest rates were not as high as they were in 1957. In Calgary, according to the Winnipeg *Tribune* of March 15, the Prime Minister claimed the day before

—that interest rates had fallen sharply as a result of government action since last June from a high of 4.33 per cent to 2.89 per cent in recent weeks.

When they fall, of course, it is the result of government policy. But when, as has happened almost all the time since the conversion loan, they rise, then it is the fault of the Americans or of businessmen who are borrowing money from the chartered banks —the fault of everyone except the government. There were several similar references during the 1958 election campaign.

I should like to make one other reference to the topic of small business. In the election of 1957, speaking of the need for assistance to small business, the Prime Minister was reported as follows in the Campbellton rally of May 4:

We intend, as well, to do something to assist small businessmen in this country. They find themselves today caught, irretrievably caught, in a situation whereby they cannot survive. We believe the time has come to provide very much after the fashion of the federal government in the United States, assistance to small business, to enable the backbone of our national business, the small businessman, to survive and to prosper.

And even in the election of 1958 something was said on this subject. At Summerside on February 27, as reported in the Charlottetown *Guardian* of the following day, the Prime Minister announced:

—that if his government is re-elected it is their intention at the first session of parliament to give consideration to a system whereby small business may be able to expand on reasonable terms, and have available to it a system of financing which is being considered to enable small business to meet its responsibility in expanding and assuring extra jobs. A community will continue to prosper and expand if small business expands, he said.

And a very similar statement was made at Yarmouth on March 26. So much for the first two of those resolutions. The third had reference to the power development, and I have already dealt with it. The fourth had reference to transportation and this is what the

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Conservative candidates pledged themselves to do about transportation:

> We are committed to the original pledge given to our people at the time of confederation that freight rates would be adjusted and transportation facilities would be provided so that our geographic position would not prejudice our producers in having reasonable access to the markets of Canada.

I could go on and make several references to statements made by the Prime Minister on this subject which are in much the same vein, but I see that I am taking an inordinate amount of time. It seems to me that this is a very clear statement of what the electors were led to expect from a Conservative government. But what has happened? What has happened is that freight rates have gone up. Freight rates have not been adjusted so as to give maritime producers greater access to the markets of central Canada; the exact reverse has been the case. It is true that some small amelioration of the increase has been made by this parliament at this session or, at least, it has been provided for—precisely how it is going to be made is not yet very clear. But the fact is that these rates are higher and, certainly, the transportation facilities are in no way improved compared with what they were before this statement was made.

Then there were also some specific pledges made particularly about the Chignecto canal and about the Newfoundland railway which I do not intend to deal with at this time.

Then the next item in what I call the Atlantic charter of the Tory party is the capital projects program. Here is the promise:

> We favour the immediate institution of an Atlantic capital projects program which will provide federal capital assistance for provincial projects designed to enlarge the basic economy of the area.

That is a great hope, but all it is is a hope. We have heard nothing about it since. Certainly, we have heard nothing about it in this parliament.

Then there is another promise, the one concerning the Canadian coastguard. "We shall press", members of the Conservative party said, "for a Canadian coastguard". At this point I think I should also make one reference to what the Prime Minister himself had to say about this question in 1957 because I want to make it clear that the Prime Minister was committed on this point. At Cambridge, Nova Scotia, on June 3, he is reported in the Halifax *Chronicle-Herald* the next day as follows:

> Mr. Diefenbaker also advocated a Canadian coastguard service to assure that marine disasters were kept at a minimum.

A similar statement was made at Lunenburg later the same day.

We know the history of the coastguard. The Minister of Transport (Mr. Hees), when he was first asked about this after the election, came into the house and read verbatim a statement which had been made by his predecessor, the same statement which, I think, was originally made by the hon. member for Laurier (Mr. Chevrier) about the service which we now have. No change whatever has been made in that situation, and no explanation or apology has been offered for the total failure to do anything to implement this particular specific promise.

The seventh of these points has to do with the fiscal needs of the Atlantic provinces. I had something to say on this subject at the beginning of my speech and I need not repeat that again.

I wish to say something about the coal situation in the Atlantic provinces. I do not need to say anything further about coal in relation to power development, because I have already dealt with that question. But promises were made that the production of coal would be increased, and the bitterest and most unfair and distorted criticism was expressed of Mr. St. Laurent because of a statement he made at Fredericton during that election campaign in which he said that in his view the value of coal for purposes other than as fuel was such that he would not take the responsibility for expenditure to increase the production of coal. But Mr. St. Laurent also said that no one wanted to see coal mining towns become ghost towns any more than anyone wanted to see the gold mining towns of northern Quebec and northern Ontario become ghost towns, and that steps must be taken to maintain existing production. The Conservative party, on the other hand, took the view that production should be increased, and gave an undertaking accordingly. I suggest, in the light of the prospects for markets, that that was a wholly irresponsible attitude to have taken. At the same time it was suggested that because Mr. St. Laurent had stated he could do nothing to increase coal production he had suggested that existing production would be curtailed, whereas the whole tenor of his speech was in the opposite direction.

Mr. Diefenbaker: Has the hon. member that speech with him? If so he might read it to us.

Mr. Pickersgill: I had it here the other day, and if the Prime Minister would look up the index to *Hansard* he would find the precise references there. I cited them in reply to the hon. member for Inverness-Richmond (Mr. MacLellan) who agreed, finally, for the first time, with my interpretation of what had been said. But the words speak for themselves; they are on *Hansard* for this very session.

Mr. Diefenbaker: I thought it was the same speech; that is why I asked.

Mr. Pickersgill: It so happens that the Prime Minister is somewhat mistaken in his recollections because it was not a speech at all. I simply rose to ask for permission to correct an error that had been made by one hon. member on the other side of the house who was making a speech and on looking at it I do not think the Prime Minister will find it is the same speech.

Mr. MacEwan: You will not find any agreement with your interpretation, either.

Mr. Pickersgill: On the contrary, the hon. member for Inverness-Richmond did agree with my interpretation.

Mr. MacEwan: The hon. member will recall that it was the hon. member for Cape Breton South (Mr. MacInnis). If the hon. member reads further on in that speech he will find that the hon. member for Cape Breton South did not agree with his interpretation.

Mr. Pickersgill: We could go on arguing for a long time but all the substantial parts are on *Hansard*. In the mind of any person who reads that speech objectively those parts are incapable of any but one interpretation. At some other time I should be glad to go over the speech word by word with the hon. member and if he can show me that I am wrong in that statement I shall be glad to get up and apologize in the house. I have a few quotations concerning the coal situation which I should like to place on the record. The first is from a speech made by the Prime Minister in the hon. gentleman's own riding, at New Glasgow on April 30, 1957, as reported in the Halifax *Chronicle-Herald* of May 1. Apparently turning to the premier of Nova Scotia who was on the platform with him, the Prime Minister said:

> If we form a government I tell you, Mr. Premier, there will be subventions for coal in these provinces, according to your request and to the demands of the people.

Mr. MacEwan: And there were.

Mr. Pickersgill: At Amherst on May 2, as reported in the Halifax *Chronicle-Herald* of May 3, the Prime Minister was reported as follows:

> He said the subventions on coal mentioned by the federal government—

That is the Liberal government, of course. I continue:

> —are nothing more than a subsidy which Nova Scotians already have to compete with the central provinces.
>
> "What we want", he asserted, "is coal subventions within the province."

Mr. Coates: That is what we got.

Mr. Nowlan: That is what we asked for and that is what we got.

Mr. Pickersgill: Subventions on coal consumed within the province?

Mr. Nowlan: For industrial use.

Mr. Pickersgill: Speaking in Minto, New Brunswick, on June 3, 1957, as reported in the Saint John *Telegraph-Journal* of that date the Prime Minister said:

> The Liberal government is not taking action to help the coal industry. There should be federal treasury aid toward the cost of freighting coal within the maritimes.

At Cambridge, Nova Scotia, on June 3, 1957, the Prime Minister was reported as having said:

> "—there is something strangely peculiar about the fact that Nova Scotia coal delivered in New Brunswick is higher in price than it is when delivered in Montreal. There is a need, and we undertake to supply that need by providing a subvention on maritime coal.

It seems to me that those quotations suggested that there was going to be a general subvention on coal used in the maritime provinces for all purposes within those provinces. I am sure that is the plain meaning that would be taken from those words.

What has been the situation in the coal industry? There has been a steady decline in production and unhappily an even greater decline in consumption and there is very little if any real hope for the future of the industry. Indeed, now we are having applied what has become the almost universal remedy of this government that applies to all these problems when they become urgent—we had it with the Pine Point railway the other day —another inquiry has started. That is what happened.

I wish now to say something about the fisheries and I shall commence by quoting what the Prime Minister said in his speech at Cambridge, Nova Scotia, on June 3, 1957, as reported in the Halifax *Chronicle-Herald* of June 4:

> Touching on agriculture and fishing, he said that there was a need for a prices board which would make provision for support prices—fair and reasonable—set at the start of the production season.

Mr. MacEwan: The hon. member is filibustering his own speech.

Mr. Pickersgill: The Prime Minister also had some things to say about the 12-mile limit. I will admit I am not going to attach undue importance to that because he found as we found that it is one thing to want something that you have to get from other countries and it is another thing to get it, but this promise of a prices board which would make fair and reasonable provision for

support prices set at the start of the production season is certainly something entirely within the control of this parliament. It could be done if the government saw fit to do it.

An even more categorical statement was made by the Prime Minister in the 1958 election at Charlottetown as recorded in several newspapers. This speech was made on February 27, and was reported in the Toronto *Star* of February 28:

Prime Minister Diefenbaker intimated here last night that a Conservative government will place a floor price under fish and contended the agricultural support bill passed last session will provide "crash insurance" for all farm products.

There is no question that there and at Halifax, Saint John, Yarmouth and a number of other places in the Atlantic provinces, in fishing areas, the same sort of assurances were given particularly in the 1958 election. We have had floor prices and deficiency payments for almost all agricultural products except potatoes.

Mr. Martin (Essex East): Corn?

Mr. Pickersgill: There is not much corn grown in the Atlantic provinces although at certain seasons there may have been some who thought that corn was being distributed.

Mr. Phillips: Fermented or otherwise?

Mr. Pickersgill: There is just one other reference I should like to make at this point. This statement appears in the Halifax *Chronicle-Herald* of March 25, 1958, reporting on a speech made the previous day in Halifax by the Prime Minister:

His government, he told the audience, was moving to stabilize prices for farm produce, and consideration is now being given to bring about "the application", on a similar basis, of this measure as it affects fish products.

At Yarmouth, on March 25, as reported in the *Gazette* of March 26, in a Canadian Press release, the Prime Minister is reported to have said:

Prime Minister Diefenbaker today promised federal price supports under fish and a firm stand on protection of Canadian inshore fisheries against foreign trawlers.

The report of the same meeting carried in the Halifax *Chronicle-Herald* of March 26, contained the following:

"The great difficulty for the fisherman", he said, "is that the price of things he must buy is going up, while the price of what he has to sell is not keeping pace.

If there is any industry in this whole country of which that is true it is the fishing industry. The article continues:

We have in mind to provide for the fisherman, legislation similar to that provided for agriculture. Under the latter program, he said, a floor price was decided in relation to the farmer's costs.

[Mr. Pickersgill.]

Of course, nothing of that kind has been forthcoming. Not only that, but in view of the failure of the fisheries in some parts of the Atlantic provinces and particularly on the northeast coast of Newfoundland last season it is regrettable that nothing happens when other ameliorative steps are suggested.

In many ways, of course, the gravest situation of all is that which has resulted in the Atlantic provinces because of the disproportionate incidence of unemployment in those provinces.

In the same speech in Charlottetown to which I have already referred and on many other occasions throughout the country is recorded the Prime Minister's most definite pledge of all. This has been placed on the record on several occasions but I do not apologize for putting it on again. This is to be found in the Toronto *Star* of February 28, reporting on a speech made in Charlottetown.

"I will make one more promise," the Prime Minister asserted. "I make this promise. My pledge is to every man and woman in this nation who is unemployed. So long as I am Prime Minister no one will be allowed to suffer in this nation."

The latest figures, I think, speak for themselves and are very eloquent. The latest figures, as produced in the release on the unemployment situation for the month of April, which were released on May 20 last, for Canada as a whole show that while in March the unemployment was 8.6 per cent of the labour force;—and these are the lower, or D.B.S. figures, not the very much higher figures in the listings of persons actually seeking work—in April, 1958 they were 8.62 per cent. In April, 1959 we were very gratified that it was only 7.3 per cent. That is still a very high level of unemployment for the nation as a whole. But when you compare the national figure with the figure for Newfoundland, which on April 19, 1958 was 24.07 per cent, and April, 1959, 28.2 per cent, there is not much ground for feeling very optimistic. When you take the three maritime provinces you find it was 16.93 per cent in April, 1958 and it is still 12 per cent. There is not much ground for optimism. These figures, of course, are very much higher than they are in Ontario; higher still than they are in the prairie provinces where the unemployment is the lowest in the country, or even in British Columbia. Quebec, of course, comes fairly close to the maritime figure.

There is no doubt that if at the present time we had on a national basis unemployment at the level it is in the four Atlantic provinces today it would be a major calamity to this country, and for that area it is a very serious thing. To a great extent at least the

suffering is ameliorated because that area is part of the national economy and it enjoys the advantages of the national social security and other national welfare benefits. They do not provide employment but they do at least take away some of the rigors of unemployment that were felt 25 years ago; nevertheless, it is a serious situation that calls for serious action. I should like to commend to the government, before I conclude what I have to say, the series of editorials which appeared in the Halifax *Chronicle-Herald,* an independent newspaper, entitled, "A Blueprint For Atlantic Advance". I am not going to take the time of the house to read them or even to quote from them; I just draw them to the attention of hon. members. I think all hon. members have probably at one time or another received a copy—certainly, all of us from the Atlantic provinces, I am sure, have—containing some very valuable suggestions for action which, it seems to me, should be considered, not in the way in which this government so often considers problems but with a view to early action.

Now, sir, having taken rather longer than I had intended to take, I shall conclude by moving, seconded by the hon. member for Kent, New Brunswick (Mr. Michaud);

That all the words after the word "that" be deleted and the following substituted therefor:

this house regrets the failure of the government to keep its election promises to the people of the Atlantic provinces, and regrets further its failure to take measures to strengthen, in the light of acute unemployment in the area, the basic economy of the Atlantic provinces.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I want to assure the house that I will not be taking as much time as the hon. gentleman who has just preceded me, for obvious reasons, but one in particular, namely that this debate is very much abbreviated, as we know. If time permitted, there are 11 other members here from Nova Scotia besides myself, everyone of whom would like the opportunity of standing and refuting the alleged arguments which the hon. gentleman has made this afternoon, in addition to the hon. members from New Brunswick, Prince Edward Island and Newfoundland. Therefore, I am going to try to be relatively brief.

The Minister of Northern Affairs and National Resources (Mr. Hamilton), to whose department the hon. member made specific reference, will probably have some things to say in connection with this, and then we hope there will be time to deal with other matters.

In the first place, Mr. Speaker, this is an intriguing debate, and it was rather intriguing to hear some of the advertisements read which were dated June 8, two years ago. Two years ago, the day after tomorrow, this government was elected to office, and I do not know of any greater compliment that could be paid to a government than a motion such as this, at this late date, which we hope is near the end of the session. It is one of those substantive motions which presumably is to criticize the actions of the government in connection with its administrative responsibilities, because the rules say that it is the administrative responsibility. What do we have? We have an hon. member spending an hour and a half reading election advertisements which were published two years ago, and that is all they can say about this government after it has been in office for two years. Certainly, no other government could have received that compliment at the hands of the opposition.

Mr. Martin (Essex East): No other government made as many promises.

Mr. Nowlan: No other government made such promises. Look at the statement made by Mr. Henry Hicks when he came back after being up here and seeing how the preceding government had promised and had failed to carry out its promises. What of the statement made by the late lamented personal friend of mine and of us all, Hon. Angus L. Macdonald, when he was premier and came up here and attempted to get certain promises from the government. As a matter of fact, he did get a promise about the development of power. He got it back in 1945 or in 1946, and it was not until 1956, 10 years later, as a deathbed repentance by Hon. Walter Harris, who saw that the sands of time were running against him and the tide was going out, that he brought in this alleged maritime provinces development to redeem in part a promise they had made over 10 years before to Angus L. Macdonald when he was up here as a head of a maritime delegation.

Speaking of promises, I remember the posters in the election of 1955 or 1953. What were they; what did we see? We saw a picture of the *Bluenose,* the motor vessel, steaming from Yarmouth to Bar Harbour at 12 or 14 knots an hour, with a bone in her teeth, carrying passengers galore and yet, as a matter of fact, as we found out only a few days before, although they had a bottle of champagne ready for the launching of the ship, they forgot to put the engines in the boat. My hon. friend talks about promises!

Mr. Pickersgill: May I ask the minister a question? Is the *Bluenose* not operating pretty successfully?

Mr. Nowlan: Yes, very successfully, indeed, after we drew attention to the fact that she could not operate until they put in the engines.

The solicitude of the hon. member for the maritimes is really touching; it is just touching. I remember how he always used to respond so sympathetically, when he sat on this side of the house, to the arguments which we advanced on behalf of the maritimes. You could see the gleam in his eye; you could see the approbation. I am sure that he must have urged his colleagues to do some of the things which he talked about this afternoon but apparently he was unable to convince them.

He regrets the low standard of the economy. He referred to unemployment in the maritime provinces. He said that if the same degree of unemployment prevailed in the nation as a whole it would be a national disaster. I think, Mr. Speaker, that there is some justification for such a statement if the figures that the hon. member gave are correct. I have no doubt that he checked them but, after all, they deal with seasonal unemployment there. Lumbering operations have stopped. There is a great deal of unemployment in the fishing industry at the moment and these figures are not representative of industrial unemployment whatsoever in this nation.

I should like to draw to his attention something that originated with the dominion bureau of statistics. I have not got their publication, to tell the hon. gentleman the truth, but he quoted with approbation a few moments ago an editorial from the Halifax *Chronicle-Herald* and I can tell him that this statement is reproduced in an editorial in the Halifax *Chronicle-Herald* of today.

> The employment expansion in the Atlantic region was greater from March to April this year than in the same period of the last three years. In April an estimated 459,000 persons had jobs, about 18,000 more than in March and 24,000 more than a year ago.

I think that disposes of the hon. member's argument. In addition, *Macleans Building Reports* has a rather interesting commentary. These provinces which are so poverty stricken, these provinces which have been so grossly betrayed by this government, these provinces which have sunk to such a hopeless level, according to the dire and gloomy statements of the hon. gentleman, what is their record with respect to building? In Canada as a whole for the first five months of this year construction is down below the level of last year but in the Atlantic region there is a gain of 9.6 per cent this year compared with last year, the largest gain in any area in the Dominion of Canada. In the Atlantic area nearly $100 million has been applied for by way of loans for construction within the first five months of this year.

Of course the economic situation there is not as good as one would like to see it. One never is satisfied. We are looking forward, we are hoping and planning and we intend to make progress day after day and year after year. We have made and are making substantial progress in the maritime provinces and the figures to which I have referred at least bear that out. The hon. member referred to the platform on which we agreed and I must express my appreciation for his compliment on the draftmanship of some of us who were present at those Atlantic conferences. He also paid the Prime Minister (Mr. Diefenbaker) a great compliment by reading at great length extracts from speeches made by him in various parts of the maritime provinces. I had the pleasure of hearing him at the meeting in Cambridge in my own constituency, at Halifax and at the wind-up meeting of the campaign in Sydney. I can vouch for the fact that the Prime Minister made these statements. I can vouch for the fact that he intended them to be believed. I vouch for the fact that the Prime Minister and the government are carrying out the pledges which were made at that time.

This government has been in power for two years and during that time an election and an economic recession have intervened. We do not pretend to be supermen. We do not pretend to be able to achieve miracles. We do not pretend that we are perfect. But we do say that in the two years we have been in office we have done more for the maritime provinces, for the Atlantic area, than the former government did in at least the preceding 25 years. The hon. gentleman could not help himself, of course, but he was good enough to give us credit for the maritime adjustment grants which we introduced at the first session after we came into office whereby the provinces of Nova Scotia, New Brunswick and Newfoundland each receives $7,500,000 as a special adjustment grant and the province of Prince Edward Island receives $2,500,000, a total of $25 million, this to last during the currency of the dominion-provincial agreements.

These adjustment grants were sought from the preceding government for years. The maritime premiers representing all the maritime provinces made pleas for these or comparable grants and every time they were turned down. They were coldly rebuffed because it was taken for granted that the people of the maritime provinces, having voted Liberal for so many years, would continue to do so and therefore they did not have to pay any attention to their pleas and

they just took them for granted. It was not until, as I said, the handwriting was seen on the wall that the previous government attempted to deal with the situation at all.

My hon. friend has gone to some length this afternoon to prove that the coal subvention policy inaugurated by this government for the development of thermal power within the maritime provinces was the same scheme as was proposed by the preceding government and particularly by the Hon. Mr. Winters and the Hon. Mr. Harris. I say categorically, without going into the details, that there is practically no similarity between the two programs whatsoever. One was a deathbed repentance brought about on the eve of an election whereby the former government saw that they would have to do something. They did not know what they should do. They had not given any consideration to the problem and apparently did not have anyone to advise them very well. As a result they came up wtih some sort of crackbrained scheme which would not have worked. The proof that it would not have worked is to be found in the fact that the provincial governments of Nova Scotia, New Brunswick and Prince Edward Island—I believe I am correct with respect to Prince Edward Island—said that the scheme would not work and they would not accept it.

We campaigned in May and June of 1957 primarily on the thermal scheme. That was the main matter which we discussed. At that time we said that their plan would not work because the plants were to be owned by the federal government. I noticed that my hon. friend was a little bit vague this afternoon and said that somehow they could be transferred to the provincial government.

Mr. Pickersgill: I am sure the minister does not want to be unfair.

Mr. Nowlan: I certainly do not.

Mr. Pickersgill: I was very precise about it. I said they were to be owned in the first instance by the federal government with an option to purchase by the provinces.

Mr. Nowlan: What the option to purchase was was one of the terms which was always in dispute because there was correspondence, as my hon. friend knows, and telegrams between the premiers of the two provinces and the responsible officers here as to the definition of those terms. There was no satisfactory definition as far as the provinces of Nova Scotia and New Brunswick were concerned. Our proposition was that these plants would be built by the federal government and sold outright to the provinces so that we would have a centralized operation instead of the Northern Power Corporation coming in and operating the power plant in one place and the province operating the plant in another place, which we said was absolutely impractical and impossible.

As to the question of the use of coal, the former government's proposal was that coal should be provided, as I recall it, so that energy could be produced at cost. There was no definition of "cost" and none was ever suggested. Mr. St. Laurent said that whatever the cost was that was the cost that would have to be paid for power. As has been pointed out by the Prime Minister and by every hon. member from Nova Scotia who came here in 1957, as was pointed out by the premier of Nova Scotia, that was absolutely ridiculous. Unless there was some definition of "cost" how could it be known whether there would be any benefit to the province? It might be that the costs would be far greater than we were paying and no purpose would be served whatsoever by the federal government building these plants or transmission lines. In the proposals submitted by this party the matter of "costs" was determined. It was agreed that a subvention would be paid so as to permit the coal to be competitive with coal landed in Ontario and reduce the cost of power to what we thought would be a price competitive with that for power produced by coal in other parts of Canada. Those were two of the major differences between the two schemes.

Of course one might say that this is political but it is not an effective answer. All of these matters were raised during the 1957 campaign. The claims pro and con were made by the respective parties, the Liberals saying theirs was better. They never said it was identical with ours. We were saying that we had something that was different and that was better. What happened? On election day ten out of twelve members supporting the scheme advocated or supported by the premier of Nova Scotia and advocated by this party were elected and only two of the hon. gentlemen supporting the other scheme were elected. Then six months later those two fell by the wayside and 12 members were elected to this house. That is the judgment of the people of Nova Scotia as to the relative merits of the two schemes.

I must say this. My hon. friend also, in dealing with the statement made at Fredericton by the then prime minister, had something to say about it. He has the same difficulty, although he smoothed it over, that they had in trying to explain it to the electors and as did a colleague of his, the minister of public works at that time from Nova Scotia, who attempted to explain the speech on the platform in Nova Scotia, failed and quit trying to give any answer at all

because he said it was not understood. That was the only explanation that was given. Certainly no one else ever understood it and it has not been understood today either. Certainly the hon. member for Bonavista-Twillingate understands it less than does anybody else. At any rate, if you accept that speech at its face value, the coal would still be under the ground under any circumstances.

Something has been said about coal. Perhaps I should say a word about coal right now. I did not want to interrupt my hon. friend because I have interrupted him several times. He stated that in the election we promised that we would increase the sale of coal. There is no doubt that we promised subventions.

Mr. Pickersgill: To increase the production of coal.

Mr. Nowlan: To increase the production of coal. There is no doubt that we made a promise with respect to subventions on the movement of coal in the maritime provinces and I stand by that promise. I do not recall —although I do not deny it; I should like to see the record—that any specific promises were made with respect to an over-all increase in the production of coal or the consumption of coal as compared with those areas. But this is something of what we have done in so far as coal is concerned. When we came into office we increased the preference on Canadian coal for use in dominion public buildings so that coal would get a preference of 20 per cent in competitive bidding against other coals. As a result of that preference it is estimated by the department that the increased consumption of Canadian coal amounted to over 200,000 tons a year. We have paid out money already on this thermal scheme to which the hon. gentleman referred. It is not something that is going to be done in the future; it was not something that was going to be done when the province requested that it be done. I can assure you that, in my opinion, the province would never have requested this federal government or any federal government to carry out the scheme which they proposed at that time. Hence the scheme would not have been in being at this time.

This government has paid subventions on the movement of coal within the maritime provinces, a matter to which the hon. gentleman referred dubiously. He rather questioned the accuracy of the Prime Minister's report. The Prime Minister was dealing with specific and definite suggestions for the use of thermal plants in the maritime provinces to generate power for industrial use. Since we got the scheme into operation we have paid out over $1,692,933 in subventions on the movement of coal in the maritime provinces for thermal plants there. That subvention is used to reduce the cost of power not to the householder but to industrial plants only so that we can assist in the development of industry. All of that benefit has been passed on for industrial development within the maritime provinces. I may have a word or two to say on that matter a little later on. That of course, was an entirely new subject but it was something which we promised. We said that if we were elected we would inaugurate this dual system of assisting in the building of thermal plants and transmission lines in the maritime provinces. That has been extended to Newfoundland as well. That was one phase of it.

The other phase was that we would pay subventions on the movement of coal in the maritime provinces to service these plants so that the benefit would be passed on to the industrial consumer. As I said, on that subvention alone we have paid out over $1,692,000. As to the movement of coal, there is no doubt, as the hon. gentleman said, that coal production suffered in this country. I want to point out to him this fact, although he undoubtedly knows it. Coal production has suffered in every coal producing area in the world as far as I know, certainly in the western world or the free world. The degree of unemployment here, bad as it is, has been less than elsewhere. To any man who is unemployed even for a day, it is a serious thing to him. To be unemployed for 40 days is an extremely serious thing. There have been miners who have been unemployed for a period of 40 days in the maritime coal fields. I think all of that is over. There may be a few of those left in one or two pits. But had it not been for the subsidy policy which this government inaugurated and put into effect the degree of unemployment would have been double or treble what it has been during this year. As I said—and I want this to be understood—the degree of unemployment in the past year in the Nova Scotia coal field has been less than the degree of unemployment in any other coal field in the western world—and the figures to prove that are there from the dominion coal board. Whether you take as an example Germany, Britain, Virginia, Pennsylvania or wherever you go, the number of men employed two years ago, the increase of unemployment is greater in every other coal field in the world. That is not a mere accident, Mr. Speaker. That fact is in part at least—and in substantial part—owing to the generous subsidy provisions which this government put into effect in order to maintain a high degree of employment in these Nova Scotia coal fields and so that the Canadian

product was upheld and its place was not taken entirely by coal imported from the United States.

Last year, the fiscal year ended in March 31, we moved 425,928 tons or in round figures 426,000 tons of coal into Ontario—despite a drop in industrial demand, despite a tremendous fall off in United States imports—at a cost of $1,938,000. It is the first time Canadian coal moved into Ontario in any appreciable quantity since before the war or since about 1937 or 1938. This government, by a subsidy policy has brought Nova Scotia coal back into the markets of Ontario, as I said at a substantial cost. This coming year, the year ending March 31 next, it is estimated that we will move into Ontario alone 850,000 tons of coal as compared with 450,000 tons last year or twice as much and the total cost of that movement will be over $12 million for the entire subsidy program, or $4,300,000 more than we paid out last year. Yet my hon. friends ask what we have done for the maritime provinces.

In the past, when we have been suffering from recession, when we have not had surpluses but have had deficits, we have gone ahead with our social security measures and have done everything that this government has done. We are also providing 50 per cent more for the movement of our coal from the maritimes to Ontario than was ever provided by our predecessors. Of course, we also established a new principle in connection with it. The Nova Scotia government is acting in partnership with us and to the extent of 20 per cent of the increased subsidy to a maximum of $500,000 the Nova Scotia government will co-operate.

Mr. Speaker, one could go on to speak at length on the coal matter, but I do not think it is necessary. I think the record of this government is clear in so far as coal is concerned. Despite the unfortunate period in which we have been operating, despite the shrinkage in demand, the industrial recession and everything else, I think it is clear that we have established here a record of which any government could be properly proud and of which the people in the coal mining areas of Nova Scotia, the maritimes and Cape Breton are appreciative. Make no mistake about that. The situation is one which is giving and will continue to give this government concern because we want to see the coal industry put on a firm basis. We want to see employment maintained there.

My hon. friend made some remarks,—I do not want to be unkind and I do not want to say sneering remarks—light remarks, about the fact we were taking the same attitude toward this problem as we were taking toward other serious problems. Here is a news story in the Cape Breton *Post Record* which is headed, "No More Idle Time". Then, underneath that heading there are the words, "Government praised". This news story reads in part as follows:

Promises to Atlantic Provinces

> Because of increased government subventions, there will be no more idle times this year in Nova Scotia coal mines, after June, district vice-president Stephen Delhanty told the regular session of the Princess local of the united mine workers of America Saturday night.
>
> He highly commended the federal government along with the provincial government of Nova Scotia for coming forward with assistance, without which there would be a great deal more distress in the coal industry in this province.

I could go on reading that laudatory article for quite a few minutes, Mr. Speaker, but this is a case where repetition is not necessary. The facts are so obvious they speak for themselves, and there is no necessity for repeating them.

Mr. Pickersgill: Before the minister goes on to another subject, perhaps he will permit a question. Did I understand the minister to say, as I think he did, that he did not recall any promise made by his party before the election of 1957 to increase coal production? I have here an advertisement published by his party which contains this sentence:

> Your Progressive Conservative candidates are in favour of a policy that will increase coal production.

Mr. Nowlan: We were certainly in favour of it and we supported a policy which has increased and will continue to increase substantially the demand for coal in the thermal plants of the Atlantic provinces. As I pointed out here a moment ago, the answer to that is that last year we increased the market in Ontario from 450,000 tons to 510,000 tons and we hope to increase it this year to 850,000 tons.

My hon. friend made some reference to the fact that we were going to refer this matter to a royal commission. He infers that this is a delaying procedure. I have already answered that. If there is any delaying procedure in what we have done in the last two years, in the accomplishments we have attained, then the miners of Nova Scotia will pray for more and more delay, and a continuance of it. Make no mistake about that.

We also realize that the coal industry is in a critical condition. There are problems facing that industry which have to be solved, and this is true all over the world. The competing fuels, gas and oil, as well as the possibility of atomic energy which is on the horizon, create a situation which deserves the most careful study, not simply the short term planning that we have had to do, frankly, since we came into power. We have been

faced with one crisis after another, and the preceding government did nothing whatever to alleviate this problem. We did work out an interim solution, and we are continuing to do that. We want also, however, to arrive at a long term solution so that maximum employment can be provided in the coal fields.

It is because we are trying to make a long term study of the problems of that industry, and not because we are trying to sweep them under the carpet where our opponents left them, that we intend to refer this matter to a commission or some other body for study and report. Then, we shall arrive not only at the short term solution, as we have done, but also a long term solution, which will work in concert in the years to come.

My hon. friend read the catalogue from A to Z, as I have said, and referred to every speech the Prime Minister made, to all the advertisements that were published, and as I have said this points up the fact that we did have a positive program to put before the people. I do not intend to follow him on all the matters with which he dealt. He referred to transportation. It is true that we are suffering from a transportation problem. I wonder who would expect us to satisfactorily solve the transportation problem of the maritime provinces or in fact any area, but particularly the maritimes and the far west, in two years? I would think hon. gentlemen opposite would be amongst the last to deal with transportation, and reflect upon it, after having failed to deal with it during their term of office. As I recall it, the Turgeon commission was set up under the regime of the preceding government. If I recall it, the Turgeon commission made certain recommendations with respect to horizontal increases. They deprecated them and suggested that some alternative should be found.

When was that report, Mr. Speaker? My hon. friend at least has the advantage of knowing the subject on which he is going to speak, but we have to answer as we stand here, without any preparation and without any material in front of us. My own impression is that the Turgeon commission report was somewhere around the early fifties, 1951 or 1952. What has been done since 1952? We still have horizontal increases piled one upon the other, with all their detrimental effects.

Mr. Chevrier: Is the hon. member aware that the royal commission on transportation chaired by Mr. Turgeon made no substantial recommendations with reference to horizontal increases?

Mr. Nowlan: I do not know how you spell that word "substantial".

[Mr. Nowlan.]

Mr. Chevrier: I will take out the word "substantial", then.

Mr. Nowlan: There will not be any semantics about it. As I said, I am speaking from memory and I do not have the Turgeon commission report in front of me. If I am not mistaken, the Turgeon commission in its report referred pointedly to horizontal increases—perhaps the reference was in the report of one of the commissioners, I shall qualify it to that extent—and their detrimental effect.

Mr. Chevrier: Does my hon. friend recall that when he was on this side of the house he and the Prime Minister, amongst others, said that if they were in office they would remove the effects of horizontal rate increases? What have you done about it?

Mr. Nowlan: As I said, my hon. friend is also now going back into what was said by us several years ago. This is a compliment. As I said, we have not accomplished everything that we set out to do because there were so many things left undone by the preceding government it is going to take us some time. I do not want to prophesy, but I doubt very much if we could accomplish everything that should be done in the first four years. We will probably have to be re-elected for eight, ten, twelve or fourteen years in order to correct all the ills that were left behind by our predecessors.

However, we have taken two positive steps in connection with this matter of transportation. We have taken steps in connection with the problem referred to by the hon. member for Bonavista-Twillingate (Mr. Pickersgill)—his reference was lengthy and possibly exaggerated—that is, the incidence of freight rates upon the east and the west. We have provided a sum of money to alleviate the impact of these increases. This is a temporary thing because it will not cure the disease from which the people in the east and in the west are suffering, namely, high freight rates. Frankly, I doubt if anybody else can prescribe a cure at the moment, and that is why we have set up this royal commission. We do not want to sweep the problem under the carpet, but we want to make an exhaustive study of the problem. The instructions are to proceed with that study as rapidly as possible so that we can get an answer to the problems and carry out, in so far as it is humanly possible, the pledge we made with respect to transportation.

Mr. Pickersgill: Will the minister permit a question?

Mr. Nowlan: Surely.

Mr. Pickersgill: Has the minister not forgotten, in his catalogue, that in the year 1957 the previous administration, which he says did nothing, increased the subvention under the Maritime Freight Rates Act by 50 per cent for all freight shipped out of the maritime area?

Mr. Nowlan: I have not the figures in front of me, but if there was an increase of 50 per cent that shows how miserably low it was prior to that.

Mr. Pickersgill: May I ask the minister another question? If the minister thinks it was so miserably low why did the government not increase it?

Mr. Nowlan: We did increase it. We increased it as soon as we got into office.

Mr. Chevrier: You did not.

Mr. Nowlan: Perhaps I misunderstood the hon. member.

Mr. Pickersgill: I was referring to the subvention under the Maritimes Freight Rates Act which was increased from 20 per cent to 30 per cent—a substantial increase—by the previous administration in 1957.

Mr. Nowlan: I beg your pardon, I thought you were referring to something else. But in this connection I want to point out that when the increase in rates came into effect after the last decision of the board of transport commissioners we immediately took steps to alleviate the burden on the Atlantic provinces. We also took steps to alleviate the weight on the purchases of feed grain under the feed grain subvention measure. In various other ways, too, we sought to modify the burden imposed by the new rates.

Mr. Pickersgill: Just as we did.

Mr. Nowlan: The hon. gentleman and I could disagree about this from now until doomsday without getting anywhere. I am prepared to let the record stand as it is.

The hon. gentleman quoted from the Halifax *Herald* blueprint for the Atlantic provinces. I agree that this is useful reading and I think it should be read by every member of the House of Commons from east to west. The Halifax *Herald* has done a great deal of work on this subject. But I would point out that the hon. member referred only to this one book, which refers to the future, and avoided reading any of the editorials which have appeared from time to time in the past and which have so often commended the government for its work in dealing with problems which have been outstanding for a quarter of a century. I suggest the hon. member might also have referred to a few of those tributes.

As I said, I do not think there is any point in discussing further the question of coal or transmission lines or of the subvention on the movement of coal within the maritime provinces. The record is there. It is a record which everyone may see, and I am sure it is one which has met with the approval of the people of the maritimes, and which will continue to do so.

There have been other things which this government has done in connection with the maritimes, not all of the same calibre as the subvention or the $7,500,000 grant. For instance, we have the federal government deciding to build an institution at Springhill, a federal government institution which will provide substantial employment after it has been built. Recognizing the special problem of that town, the government has made a special contribution as, of course, it should, as a measure of assistance following the disaster. Thus we have taken a step which we feel will help in the industrial development of the town.

I am reminded of this, also. The hon. gentleman deplored the lack of industrial development in the maritime provinces. I wonder if he saw in the papers on Friday reports of the fact that a Swedish firm had announced its intention of building a $40 million paper mill in the province of Nova Scotia, work to begin within a few months. This will mean the spending of over $10 million a year in the province in wages and in the purchase of pulpwood, and it represents one of the greatest contributions to the industrial development of Nova Scotia, other than the coal industry, which has ever taken place in this country.

I am not saying that the present government deserves any particular credit for this, because this has been primarily the achievement of the provincial government.

Mr. Pickersgill: And the preceding provincial government.

Mr. Nowlan: The preceding government? No, because Hon. Mr. Hicks, after reading about it in the paper—and no doubt he read all of the Halifax *Herald,* not just favoured extracts from it—said that this development would be of no use to Nova Scotia at all and was not in the interest of the province of Nova Scotia.

Mr. Pickersgill: Will the minister permit a question?

Mr. Nowlan: O, Lord.

Mr. Pickersgill: Is the minister not aware of the fact that it was Mr. Hicks who began the negotiations for the Swedish company to come there?

Mr. Nowlan: Exactly in the same way as the hon. member for Essex East (Mr. Martin) commenced negotiations for health insurance back in 1916 or 1917 when Mr. King first thought of it. At any rate, Mr. Hicks was quoted in the paper as saying that this would not be in the interest of the province of Nova Scotia. It shows how they learn nothing, or how they forget nothing. Who was it, the Bourbons or the Liberals; it is synonymous, anyway. But in 1925, 1926, and 1927 when another government in Nova Scotia established the Mersey Paper Company, which has been more important to the development of the industrial life of southwestern Nova Scotia than anything else, the Liberals attacked it and criticized it and said it would be no use to Nova Scotia. Now history is repeating itself with regard to the situation in the eastern part of the province. But that is simply an aside.

This government does not claim credit for this particular development, except that if the hon. member is correct in saying that Mr. Hicks deserves credit in originating this —and I do not for one moment accept that; I know it is not correct—if that is correct, then he obviously failed because it was necessary to get this government in power in Ottawa in order to create the proper climate so that the development could proceed. So much for industrial development.

The hon. gentleman was worried about the location of defence forces in Nova Scotia and in the maritime provinces. Had the hon. member listened to the radio this morning he would have heard about an R.C.A.F. plane coming from a constituency of which I am rather proud—coming from the R.C.A.F. station at Greenwood—which took off from that base yesterday, flew to Ireland, turned around and came back non-stop and then landed at Gander, unable to proceed further because of the weather. We have there one of the largest air bases in the western world. That base was constructed many years ago, but it has been developed and is still being developed, and served by those magnificent planes with those excellent people looking after them. It is going to be one of the bases for anti-submarine warfare. At least it will be prepared for this vital role in the defence structure of this country. I do not know of a single defence base, certainly in Nova Scotia, which has been closed.

There is a large camp outside Fredericton which was built by the preceding government, and I know that according to the press —and the press may be wrong; apparently all speeches made by Liberal leaders at Fredericton are suspect and possibly not accurate—report of a speech made by the Liberal leader at Fredericton he said that two cabinet ministers in the maritime provinces have been able to maintain defence bases in their constituencies but that if he were elected to office those bases would be closed and the men would be moved to Fredericton.

Some hon. Members: Shame.

Mr. Nowlan: Those bases, at least, have not been closed as yet. I do not intend to develop this further.

The figures were put on the record the other night by the Minister of Defence Production (Mr. O'Hurley) showing the increase in defence production orders in the maritime provinces during the last year as compared with the preceding year. There has been a substantial increase. As at March 3, 1958 the contracts awarded for construction and maintenance in the maritime provinces amounted to $22,500,000, representing more than 22 per cent of the total awarded for the period for all of Canada. That is a substantial increase. Although smoke stacks may not be dotting the horizon at the moment the foundations have been laid whereby through thermal power and otherwise assistance can be given to the development of industry. This government is different from the preceding government, it is using the instruments at hand including subventions on coal and consequent industrial development, and through the Department of Defence Production, will insist on a fair distribution of orders throughout the country and increase substantially the demand and the market for maritime products. This will be done through the government generally and perhaps particularly through the Department of Defence Production.

I have taken more time than I intended to take. That is the usual fate of the hon. member for Bonavista-Twillingate and myself. We are both Irish and perhaps we suffer because of that.

I mentioned that matter of Springhill and industrial development. Some industrial representatives from Springhill were talking to me today about certain matters on which they wanted certain information in order to establish another industry in that area. I have no doubt that because of co-operation between the provincial and federal governments there will be substantial developments there in years to come.

Reference was made to transportation problems. Only the other day the announcement was made of another ferry service between Prince Edward Island and the mainland to augment the existing service. Investigations

are continuing with respect to the Prince Edward Island causeway and the results will be known before too long.

Consideration must also be given to the program of maritime marshland reclamation. This was brought in under the previous government but the expenditures have doubled and trebled during the years we have been in power and substantial works are being carried on at the moment.

I must say to my colleague, the Minister of Citizenship and Immigration (Mrs. Fairclough), that the industries in her city are setting a wonderful example for all of Canada. They have established a trend which is deserving of emulation. A textile plant operating in Hamilton moved to Yarmouth and is now providing substantial employment there. I commend this development to the attention of hon. members opposite and to people generally.

The hon. member referred to a textile plant in New Brunswick. I am not sure which one he meant but perhaps it was the Marysville plant. It is true that the machinery at the Marysville plant was up for sale and I believe was sold about a year and a half ago. But what has happened? An officer of the plant was in to see me within the last few days. The plant has been completely re-equipped with modern and efficient machinery and approximately 250 to 300 people are employed in that plant today.

The hon. member for Saint John-Albert (Mr. Bell) referred to Beechwood and there are other developments to which reference could be made including new bridges. Talk about pledges. There are two bridges under way in New Brunswick including the one at Campbellton which has been promised for years and years in every federal election and was then forgotten until the next election came along.

One could go on and on but I have detained the house long enough. In conclusion I repeat what I said at the outset. This government in my humble opinion and I believe in the opinion of the maritime provinces generally has done more for the Atlantic provinces during the two years less two days it has been in office—that is not a fully accurate calculation because we did not take office immediately—than was done by previous governments in the 25 years they were in office and we will continue to do so during the years just as we will continue to work for the increased development of all of Canada.

Mr. Pickersgill: Mr. Speaker, before the hon. gentleman really resumes his seat I wonder if he would permit me to ask him a question which I did not want to interrupt him by asking. He stated during his speech that the scheme that was proposed by us for power development had not been accepted and never would have been acceptable to the government of Nova Scotia. Could he explain how it was that the present government of Nova Scotia had a bill adopted by the legislative assembly of Nova Scotia approving the thermal scheme that was submitted by us?

Mr. Nowlan: Mr. Speaker, I have not the history in front of me and I am not prepared to answer that question. However, I strongly doubt the accuracy of that statement. I do not know how the premier could pass a bill approving of this project when he campaigned against it and in fact stood with the Prime Minister on a platform and publicly denounced it stating that his government would not accept it under any circumstances.

Mr. Pickersgill: Oh, well, a lot of people wondered about that.

Mr. Chevrier: Mr. Speaker, would the hon. gentleman permit a question before he resumes his seat? Is the minister aware of the statement made by the president of Canadian Cottons Limited to the effect that the textile industry is in a very bad way. It has closed down the mill in Hamilton and threatens to curtail operations in Cornwall by 50 per cent.

Mr. Nowlan: I fully realize that the president made that statement and that the industry is facing problems now as it did when we came into office when a substantial degree of unemployment prevailed. I was merely pointing out that at least in the maritime provinces in contrast to the gloom referred to by hon. gentleman opposite the picture is a little brighter.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, all of us listened with a measure of delight to the reply that was made by the Minister of National Revenue (Mr. Nowlan). I noted among other things that again he made light of election pledges. This is not the earliest occasion on which he has told us that election promises in effect ought not to be debated at any great length in the house. His argument was that we rather ought to be debating the actions or inactions of the government instead of making continuous reference to election pledges. I can assure the minister that he will have to plead many more times yet before he persuades the opposition that it ought to ignore election pledges on the basis of which the government of the day was elected.

I thought the minister today was a very modest man indeed in that he admitted there were still many unresolved problems in the

maritimes. He claimed that the government is carrying out its election promises but he also reminded us that the answers involved long term solutions. Perhaps his plea that the government be re-elected three or four times is one reason for the delay and procrastination we have witnessed that has been allowed to continue in regard to election pledges that were given to the people of the Atlantic area. As I have said, the minister was a modest man today, much more modest than another minister who only several days ago told the people of western Canada that this government has already carried out its election pledges.

The minister claimed that the present government has done more for the Atlantic region in the last two years than the former government had done in 25 years. I regret very much that the hon. member for Restigouche-Madawaska (Mr. Van Horne) is not in the house at this time. I understand his health is not the best and we are hoping that he will be here again very soon. I should have liked him to be present today because I am convinced that he would not agree with the claim of the minister to the effect that this government has done more in the short space of its life for the Atlantic area than other governments have done in 25 full years.

I doubt very much if the unemployed miners in the Atlantic area would agree with that. I doubt if the producers of pulpwood would agree. I doubt if those engaged in kind. I doubt whether those connected with agriculture would support a claim of that health services, education or municipal governments would agree that more has been done in the last two years than in the previous 25 years.

The minister made a claim in regard to unemployed miners. He read an editorial to indicate that in the Cape Breton area there would be no more short time in the coal mines there. However, I have a telegram which was received this morning by my house leader, and it says:

> Membership of Phalen local 4529 united mine workers of America request assistance of low rate interest loan be made available to members affected by cutback. Household appliances are being seized by finance companies. Immediate assistance needed.
>
> Allan Foley
> President

I have another wire which was received last week from the head of district 26, united mine workers of the maritimes. Both of these telegrams originated in Glace Bay and the contents of the telegrams received certainly indicate that the miners are very much concerned about the problem of the lack of employment of a 40-hour week nature.

The minister made certain claims on behalf of the government's action. He said that more money had been voted this year to keep freight rates from rising again. He mentioned subventions on coal used within the maritimes, and he actually mentioned the extraordinary grants that were voted this year of $25 million for each year of a four-year period. However, in the main, the situation in regard to the Atlantic area of Canada is not being improved. It has not been improved for a long time. I should like to put on the record a clipping which indicates what the premier of Newfoundland had to say. The man is Premier J. R. Smallwood. He made a contribution at one of the earliest meetings of the Atlantic provinces economic council, and in reference to the federal government he said:

> If they—

And by "they" I assume he meant the federal government. I continue:

> If they are to show statesmanship they should make every province economically strong. Before we become second-class citizens of Canada, we will show the other maritime provinces how to get out of confederation.

This is taken out of a leaflet issued by the Progressive Conservative party, advice to their candidates, and the leaflet is headed "Federal-Provincial Municipal Relations".

Mr. Browne (St. John's West): Was that the 1957 election?

Mr. Regier: I believe to all intents and purposes it was in the 1957 election, at least as far as I can assert.

There we have a leader of the government in one of the four Atlantic provinces who indicates that unless there is some sign of new leadership, of assistance on the part of the national government so that all Canadians may live as Canadians, he intends to show the maritimes how to leave confederation. I do think, Mr. Speaker, we ought to take what he says with a grain of salt because recently we have become used to some of his brave remarks. However, just the thought that he should be making that kind of statement, and that the Conservatives of the day should have decided that it was worthy of reprint, indicates that the problem is an old one.

The people of the Atlantic area have a claim on the people in other areas of Canada. In the first place, they have made a very great contribution to our very form of government in other parts of Canada; they have supplied many of the leaders in the fields of education, industry and of government in other areas of Canada. They played a large part in the early years in the development of other areas; and, therefore, when they now ask that they not be left behind

they are merely asking that we begin to recognize the sacrifices and the contributions that they have made in the years gone by so that other areas of Canada might be opened up and developed. It is for this reason that they are not very excited about the prospect of opening up of the north. They feel, and I believe rightly so, that the raising of the levels of incomes of maritimers ought at least to have priority over the opening of yet another vast new area in Canada. They feel that they have not yet received adequate compensation for the opening up of western Canada.

The policies of the government in regard to the Atlantic area in the main, outside of the items listed by the minister, have been a continuation of a policy of neglect and a policy of procrastination. I notice in a news release, a Canadian Press dispatch of January 6, 1959, where:

> Alvin Hamilton, federal minister of national resources, said Monday the government has plans to revitalize Alberta's coal industry.
>
> He said the government is expected to announce further details of the plan during the next session of parliament.

We have not heard of those plans as yet. However, if the minister has very extensive plans in mind, whereby he hopes to revitalize that enterprise in Alberta, I am sure that those who have an interest in mining in the maritimes would also like to see him announce a plan whereby their enterprise might be revitalized.

Mr. Hamilton (Qu'Appelle): I will send the hon. member a clipping from the Lethbridge *Herald* describing a new future for the Crowsnest pass.

Mr. Regier: I thank the minister and I shall look at the information in the newspaper he mentioned. I hope he will be equally aggressive in the restoration of the coal mining industry in the maritimes. It may well be that the government has decided that the policy enunciated by the Hon. C. D. Howe may be the right one; that if there is any area in Canada in which it is hard to obtain employment, maybe the best policy is to advise the people that they ought to leave the area. We remember very well one time when the implement workers came to Ottawa and presented a brief asking the government of the day to institute policies that would mean greater employment in their field of endeavour. In effect the advice they received was that if you cannot find employment in the farm implement industry you ought to move elsewhere where employment may be available.

Promises to Atlantic Provinces

I hold in my hand a clipping from the Montreal *Gazette*, dated May 1. This is also a Canadian Press dispatch out of Bell island, Newfoundland. It says:

> The federal government has termed this island of 12,000 people a "labour surplus area" which means it will pay the cost of moving miners and their families to other parts of Canada.

This is altogether different from the pledge that was made to the people of the Atlantic provinces by the Prime Minister (Mr. Diefenbaker) when he said that he would institute a new deal for them so that their sons and their daughters would not have to leave home. Now they declare the area a labour surplus area and help to finance the movement of people out of the district.

Mr. Browne (St. John's West): Would the hon. member permit a question? Does he recall that the A. V. Roe Company closed their mine suddenly and left 500 or 600 men out of work? Does he not remember that?

Mr. Regier: I am not prepared to take up the cudgels on behalf of any of the operators of these mines. However, I find it difficult to appreciate how in a number of Atlantic areas you have huge stocks of unsold coal and miners who are unemployed and yet we take the taxpayers' money to deepen the St. Lawrence seaway so that iron ore from Labrador and Quebec can be moved up the St. Lawrence seaway and, together with United States coal, be used to supply employment for people other than Canadians.

The minister said that it would take time to achieve greatness. If we are going to help the Atlantic area it might well be an act of greatness if ways and means could be explored whereby the iron ore of Labrador and Quebec might be smelted by use of the energy resources of the maritimes rather than using the taxpayers' money to subsidize the export of that iron ore so that outsiders can benefit and with the further result that, over a tariff wall, we have to buy back American manufactured goods. I believe that would be a wiser policy rather than to sit idly by and blame A. V. Roe or any other company that happens to make a decision that a mine must be closed.

We realize that the house has just passed the national energy bill. I can remember so well that my first reactions to maritimers came from impressions I gathered from one of the leading representatives of the maritimes in the House of Commons for many long years, Mr. Clarie Gillis, the former member for Cape Breton South. He sought the establishment of a national energy board for many long years while he was in the House of Commons. He meant such a board as would give adequate consideration to the

place that coal might some day play in the development of Canadian industrial enterprises. Yet we find that the government of the day is establishing a national energy board which, under the legislation, will completely ignore that vital source of energy.

The people of the maritimes engaged in the fishing industry were assured that they would be given support prices and that such support prices would bear a relationship to the cost of production. Agriculture in the Atlantic area was also given assurances. In the meeting at Summerside on February 27, 1958 the Prime Minister said that each year before the crop year began the farmer would know the lowest price he would receive. I might add that it now seems that each year the farmer knows that he will receive a lower price. However, the farmer was assured that he would know the lowest price. The Prime Minister went on to say that that price, in order to assure the farmer of his fair share of the national income, would have to bear a fair relationship to the cost of production of the farmer and the Prime Minister added that that was what the farmers had been asking for.

We know that we have the Agricultural Stabilization Act. However, in the implementation of that legislation the prices that have been determined up until now have always borne a relationship to the prices paid in the previous ten years and the minister has never yet announced a floor price with any indication that it was being fixed at that level because he had taken the cost of production into consideration.

One member who has taken part in the debate has mentioned the need of adequate transportation for the people of the Atlantic area. The people of Prince Edward Island particularly need ferry service now, not the assurance that a new ferry is going to be built which will be available years hence, not the assurance that a survey of a causeway is being made. If the minister cannot invent more adequate reasons for not buying the ship *Vacationland* than he gave to the house the other day he can expect the people of Prince Edward Island to be very disappointed. It is pointed out in an editorial in the Charlottetown *Guardian* that the *Vacationland* can be bought for $3 million. It is also pointed out that it is estimated that the cost of making it adequate would be another $1 million and that a new ferry would cost at least $8 million and would not be available for several years yet. The minister mentioned 1961. We have heard these announcements on other occasions with respect to other matters. It might well be 1963 or 1964 and the people of the island feel that they cannot wait that long. May I call it six o'clock?

[Mr. Regier.]

Mr. Hamilton (Qu'Appelle): May I adjourn the debate?

Mr. Speaker: The hon. member for Burnaby-Coquitlam has asked to call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Regier: Mr. Speaker, when the house rose for the dinner recess I was emphasizing the fact that we owe much to those who live in the Atlantic provinces. Our leaders of the past and many of our leaders of the present were raised and educated in the Atlantic areas. The expense of the opening up of the rest of the dominion was to a great extent absorbed by those who now live in the Atlantic provinces. As Canadians they have rights. They are not asking for any hand-outs. I have noted with interest how at meetings of dominion-provincial premiers even such men as the premier of British Columbia and the premier of Saskatchewan have asked that the federal government do all within its power to help those in the Atlantic area. I, along with the Minister of National Revenue, realize that helping the Atlantic provinces is going to take a great deal of money, a great deal of energy and a great deal of imagination on the part of the government of the day so that the time may arrive when those living in the Atlantic area will have their economy restored to the point where their people can also have equal chances with us in the field of personal income, education, health and all the other matters that all of us are desirous of having. This requires a new deal as the Prime Minister indicated at election time, it calls for a time of greatness, not little bits and little pieces. It does not call for neglect or for procrastination so that, in the words of the Minister of National Revenue, the Conservatives might win two or three more times yet. It needs action now. The time of needed greatness that was mentioned is now.

It has often been mentioned that the resources of the Atlantic area are limited. Even if that were so we would be able to point to the people of Norway who, with their limited resources, have been able to achieve a standard of living that is almost unequalled in the western world. However, it is our contention that the resources are available. I indicated that we might well embark on a program of smelting the iron ore that is available in Labrador and in the province of Quebec. All these resources—the energy

resources, the iron and the water—are available. We have the basic resources. Transport is not a serious problem.

I should like once again to refer to the Minister of Northern Affairs and National Resources (Mr. Hamilton) and to what he said in the speech he made in Calgary. These are his words:

> Canada must broaden and diversify its economy and the only way we can do that is make use of all our resources.

In the Atlantic area we have available resources that are not being utilized to the full. Even regardless of new resources and new enterprises, what about the enterprises that are now established? I maintain that our government should be able to do a great deal that would help the enterprises that are now established.

One of the first things I would advocate would be that the government encourage the people of the Atlantic area to have more purchasing power. One of the ways in which they might be able to do this is to encourage the establishment of unions, especially for those who work on the sea, the fishermen, and those who work in the woods of Newfoundland. Another thing which our government might do is to encourage Canadian ownership of the enterprises and industrial resources of the Atlantic area. This statement applies especially with regard to ownership of the coal mines and ownership of the enterprises having to do with the woods in that area. The Prime Minister assured Canadians that he would encourage the co-operative movement. Very little, if anything, has been done in this regard on the part of the government of the day. I believe that the government of Canada ought to encourage the activities of the Atlantic provinces economic council. Our government ought to consider the interests of the Atlantic area when amending tariffs and when considering freight rates.

Over the lunch hour I looked at what the Minister of Transport had to say last week. He said that the alterations to the *Vacationland* would cost $2 million. Even that amount in addition to the purchase price of $3 million would mean a total cost of $5 million. For the sum of $5 million the people of that island might have improvement almost immediately rather than having to wait for years hence for the possible expenditure, after many elections, of $100 million or more on a causeway. The province of Newfoundland needs regular railroads and it needs highways. The province of New Brunswick needs highways. All of those people need vast expenditures on behalf of health and educational services.

Promises to Atlantic Provinces

The Prime Minister won 25 of 33 ridings in the Atlantic provinces. He won them on the basis of his assurance that a new deal was on the way. The present practice of delay and procrastination, of only a little bit now and then, only enough to keep them at bay for the time being and of assuring them of a little bit after another election, is hardly good enough. This is a time for greatness. Four out of the ten provinces are involved. In this area Canada was begun. The potentialities are great for the building of Canadian unity and for real national development. Unless action is taken we may see a demagogue arising in the years ahead. We have had in the past some indication that the area is not averse to demagogues. We may have arising a demagogue who may make such an appeal to the electorate there that we may end up by being four Canadas rather than one. I am sure that none of us wants that to happen.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, my time is limited so I will reserve my comments for one or two key points. First of all, I think those of us in the house this afternoon recognized that the speech by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) set the Liberal party on a new low of imagination for the future of this country. I well recall one year ago in presenting the Atlantic Provinces Power Development Act that for five days the hon. member was the leading member of the opposition in filibustering that bill, even to the extent of carrying the debate on into third reading. Now he stands up and says that it is a good bill. What a conversion in one year!

Mr. Pickersgill: Mr. Speaker, may I ask the hon. minister—

Some hon. Members: Sit down.

Mr. Pickersgill: I rise on a question of privilege. The hon. member has completely misrepresented the position I took this afternoon.

Some hon. Members: Oh, oh.

Mr. Hamilton (Qu'Appelle): Mr. Speaker, the hon. member is the last member in this house to talk about misrepresentation. This afternoon he told this house that the previous prime minister of this country, Mr. St. Laurent, had offered coal subventions to the Atlantic provinces. I know the record as to this coal subvention equalization offer made by the previous government on April 29, 1957, less than six weeks before an election as a death bed repentance; it was only for one plant, the first one and no other. The hon. member claims that he has been misrepresented, but those are the facts and the

records, and all he has to do to verify them is to contact the leader of the Liberal party in the province of Quebec, who took the records from my department to make sure that he could defend himself if he were attacked.

Mr. Pickersgill: That is not true. Mr. Speaker, I rise on a question of privilege again, a question which concerns every member of the former administration in this house. The statement made by the hon. gentleman about my former colleague, the present leader of the Liberal party of Quebec, is unreservedly untrue.

Mr. Hamilton (Qu'Appelle): All my hon. friend has to do to establish the truth of my allegation is to read the records of *Hansard* when the hon. member for Montmagny-L'Islet, as he then was, put them on the record.

Mr. Speaker: I am sorry to interrupt the hon. minister, but it being 8.15 o'clock p.m. it is my duty pursuant to special order made Friday last to interrupt these proceedings and put forthwith the question and any amendment now before the house.

The house divided on the amendment (Mr. Pickersgill), which was negatived on the following division:

YEAS

Messrs:

Argue
Batten
Benidickson
Boivin
Boulanger
Bourget
Brassard (Lapointe)
Caron
Chevrier
Crestohl
Denis
Dumas
Dupuis
Eudes
Godin
Granger
Herridge
Leduc
McIlraith
McMillan
McWilliam
Meunier
Michaud
Pearson
Pickersgill
Racine
Ratelle
Regier
Richard (St. Maurice-Lafleche)
Roberge—30.

NAYS

Messrs:

Aiken
Aitken, Miss
Allmark
Anderson
Balcer
Baskin
Bell (Carleton)
Bell (Saint John-Albert)
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Stormont)
Chambers
Charlton
Clancy
Coates
Cooper
Courtemanche
Creaghan
Crouse
Danforth
Diefenbaker
Dorion
Doucett
Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flynn
Forbes
Fortin
Fulton
Gillet
Grafftey
Green
Grenier
Gundlock
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hanbidge
Harkness
Hees
Henderson
Hicks
Horner (The Battlefords)
Jorgenson
Keays
Kennedy
Knowles
Korchinski
Kucherepa
Lahaye
Latour
Legere
Lennard
Macdonald (Kings)
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
McCleave
McGee
McGrath
McGregor
McIntosh
McLennan
McPhillips
Maloney
Martel
Martineau
Matthews
Monteith (Perth)
More
Morissette
Morris
Muir (Cape Breton North and Victoria)
Murphy
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
O'Hurley
O'Leary
Ormiston
Parizeau
Pascoe
Payne
Phillips
Pigeon
Rapp
Regnier
Ricard
Simpson
Slogan
Smith (Calgary South)
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Starr
Stefanson
Tassé
Taylor
Thompson
Tremblay
Villeneuve
Vivian
Walker
Webster
White
Winkler
Wratten—121.

PARLIAMENT BUILDINGS—SUGGESTED ADDITIONS TO MEMORIAL CHAMBER COATS OF ARMS

Mr. Erik Nielsen (Yukon): Mr. Speaker, this is the time which is usually taken up by hon. members stating grievances. At the outset I should say that Yukoners are somewhat hardened to the apparent lack of awareness, shall I say, of the Yukon on the part of a great many Canadians in all parts of the country. There exists a general unawareness of the very existence of the Yukon. This is a situation that apparently obtains across Canada. As one travels across the country one sees the coats of arms of various provinces displayed in air line terminals and other public buildings but the coat of arms of the Yukon is not in evidence. This is also true of Canada House in New York.

The very fact that the building is called Canada House suggests to me and other Yukoners that it should be representative of all of Canada and yet we find there an absence of the coats of arms of the Yukon and

of the Northwest Territories. My concern this evening is not with this isolated instance. This is but one of a great many instances one could cite illustrating what I have referred to as a lack of awareness of the existence of the Yukon or, if you will, an absence of a tendency to include the Yukon in this sort of thing.

My observation this evening is much more serious and concerns the representation of all parts of Canada in the memorial chamber in this building. Before I pursue this thought any further I should say that upon my discussing the absence of the coats of arms of the Yukon and Northwest Territories in the main rotunda of this building last year with the Minister of Northern Affairs and National Resources (Mr. Hamilton) action was taken between the last session and this and we now see these two coats of arms carved and evident in the rotunda of the building. In the memorial chamber, however, their absence is still felt.

On Armistice day in 1928 the then prime minister opened the memorial chamber with these words:

> In the name of the people of Canada in proud and grateful remembrance of 60,000 of her sons and daughters whose lives were given in the cause of freedom, I unlock the doors of this memorial chamber, and declare it henceforth open to the public.
>
> Here upon its walls is inscribed the record of their deeds, and upon its altar will rest the book of remembrance containing their names. This then is the very heart of Canada wherein their memory will be cherished forever.

The point I wish to make is that among the 60,000 dead of the first world war there were a goodly number of Yukon citizens who lost their lives. In this regard I might just mention that in November of 1914, Mr. J. W. Boyle of Dawson City, Yukon, later Lieutenant Colonel Boyle, on his own initiative raised the Boyle mounted machine gun detachment. It consisted of some 50 of all ranks. Boyle clothed these men in frontiermen's uniform and despatched them to Vancouver, where they were billeted at his expense. Included in that group was Hon. George Black who once occupied the chair in this house. The detachment was attached first to the 29th battalion and then to the 2nd Canadian Mounted Rifles Regiment. In June, 1915, the Yukon detachment, as it was then called, accompanied the latter unit to England, without horses or guns and was stationed in the Shorncliffe area. On the same ship bearing the detachment to England and I believe later to France was another former member of this house, the late Mrs. George Black. Some of the personnel went to France as reinforcements for the 2nd Canadian Mounted Rifles—converted from cavalry to an infantry battalion of the 3rd division—and other units in the field.

On June 14, 1916, now 33 strong, the detachment was renamed Yukon motor machine gun battery and brought up to an authorized strength of 4 officers and 55 men. Captain H. R. Meurling, an instructor at the Canadian machine gun school, assumed command. The battery went to Bramshott early in July, to join the 4th division as divisional troops. Motor cars and motorcycles were received later in July and six Vickers machine guns early in August. The unit crossed the channel on August 12, 1916, and became E battery of the 1st Canadian motor machine gun brigade.

The battery served at the Somme, October-November, 1916; Vimy Ridge, April, 1917; Hill 70, August, 1917 and Passchendaele, October-November, 1917. On March 22, 1918, the second day of the great German offensive, the motor machine gun brigade was ordered to the Somme in support of the British fifth army. It left the following day, and for twelve days harassed and hindered the enemy's advance.

On May 23 Captain Meurling was promoted and given command of another MG battery. On June 8, E battery, till then still known unofficially by its Yukon title, was broken up and absorbed into the 2nd Canadian motor machine gun brigade. Its commander at that time was Captain F. W. Thompson. The Yukon battery earned a number of decorations in the field, although details regarding decorations received and casualties suffered are not readily available.

In the memorial chamber the altar rests upon black marble steps which were the gift of Great Britain. Above it and around the steps of the altar are the Royal arms, the arms of Canada and the coats of arms of the provinces. The coats of arms of the Yukon and Northwest Territories are not included among the coats of arms of the provinces nor are they included in the golden book of remembrance embossed within which are the names and ranks of all casualties suffered across Canada during the first war. I feel that all hon. members of this house will agree with me, after having heard a brief history of the part that Yukon volunteers played in the last war, that she has earned her right to be included in the memorial chamber.

I suggest, Mr. Speaker, that this government cure the omissions of the past by investigating the circumstances which I described this evening with a view to finding some way of carving the Yukon coat of arms on the altar of the memorial chamber. If the circumstances equally apply to the part

played by the Northwest Territories in the first war, then I would suggest that the coat of arms of the Northwest Territories also be included. There is even a strong argument for its inclusion under any circumstances.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker,—

Mr. Speaker: Is the hon. member rising on the same subject?

Mr. Benidickson: On the same subject.

I think the hon. member for Yukon (Mr. Nielsen) has chosen a most appropriate time for advancing a discussion of this kind, a time when we are all aware that our sovereign is on the high seas in her ship with the prince, coming to our shore.

Some hon. Members: No, no.

Mr. Benidickson: She is flying to Newfoundland; that is correct. In consequence of that, we are all the more conscious of matters that are sometimes neglected over here, such as armorial bearings, heraldry and the like. Particularly because of the greater attention that is now being directed toward the north, to the Yukon and to the Northwest Territories, I think it is most appropriate that the hon. member has brought this up. I want to assure him that there would be strong support for this from this side of the house. I know that if the hon. member for Mackenzie River (Mr. Hardie) were in his seat at the moment he would certainly endorse this suggestion, as we all do on this side of the house. The hon. member for Yukon would be the first to admit that the approach must be a twin one for recognition of the crest of the Yukon and those that are in that fairly recently dedicated territory as well as in the Northwest Territory.

I think, Mr. Speaker, that those in charge of those matters, at a time when we are so concerned about traditions of this kind, should get the utmost attention from the government in the matter not only of our national crest but, as the hon. member has indicated, in the matter of the Memorial Chamber, and recognition in the building and in other places.

GRAIN—REQUEST FOR EQUALIZED DELIVERY QUOTAS

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the grievance I should like to raise this evening has to do with the grain producers of western Canada. Before launching into that, Mr. Speaker, I hope I may be allowed merely to say that had I not been dealing with this general subject I would have been very happy at this time to add the support of this group to the very pertinent remarks of the hon. member for the Yukon.

The issue that I wish to raise has to do with the very low delivery quotas prevailing at the present time in western Canada. It has to do with the very drastic falling off of lakehead shipments of grain through the seaway and the general adverse results as far as western grain producers are concerned. I have raised this matter a number of times this session on the orders of the day and I have received from the ministers evasive replies, misinformation and apparently a complete unawareness of the very adverse conditions prevailing at a great many marketing points. There are many reasons, perhaps, or a number of reasons why this situation is as bad as it is, but certainly one of the most important reasons is the fact that since the opening of navigation, lakehead shipments have been much lower this year than a year ago. I hold in my hand a Canadian Press report which appeared on June 1, and which reads in part as follows:

> Fort William. Only 55 million bushels of grain have been shipped from the lakehead during the 1959 navigation season compared with 104 million bushels in the corresponding period of 1958.

I had hoped when I raised this grievance, Mr. Speaker, that the Minister of Trade and Commerce (Mr. Churchill) would be in his seat. In his absence, I sent a note over to the Minister of Transport (Mr. Hees). In fairness to the Minister of Transport I must say that he replied to me that he had a previous engagement which would make it impossible for him to remain in the chamber.

Mr. Creaghan: On a point of order, the minister is in the building, but perhaps not in his seat.

Mr. Argue: That has nothing to do with his note. Surely, the minister will acknowledge that what I said was completely accurate. I do not have to produce the note, surely.

The very drastic drop in shipments of grain through the lakehead is apparently brought about by the inability of the St. Lawrence seaway to handle grain shipments, along with other shipments, in the same volume this year as last year. Since the seaway opened there has been one report after another of congestion, of inability to move ships quickly through the canal, and generally of a situation of very great inefficiency. Because of this congestion, because of a lack of priority for Canadian basic products, the seaway has been unable to provide facilities for the shipment of large quantities of grain this year as compared with last year.

There was an editorial in the Montreal *Gazette* on June 1 dealing with the congestion of the Welland canal, and it had this to say:

Last year it was possible for Canadian ships to pass through the Welland canal in nine hours. This year it is taking up to 58 hours. Not only are the costs of these delays being added to what Canadians must pay, but the level of tolls, imposed for the opening of the waterway, is yet another addition to the cost structure.

It goes on to say:

Unless Canadian shipping is given reasonable priority in the Welland locks, the Canadian economy may be seriously injured by the St. Lawrence waterway instead of being aided by it, and this surely, after all that has been said about the waterway, would be the height of irony.

Because of the inability of grain shipments to be taken through the seaway in substantial quantities I suggest that now is the time for the government to consider this problem and to act. I was pleased this afternoon to hear that the Minister of Transport has made a request to the United States that its flotilla of ships that are to appear in the seaway should go through the canal locks at the rate of only two a day. I would go even further. I would say that if the appearance of those ships in the seaway is to adversely affect the shipment of Canadian products through the seaway, as would appear from reports in today's newspapers, reported by people who are authorities on the seaway, then it would be far better if United States ships stayed at home and if grain, iron ore and other Canadian products went through the seaway. Authorities are telling us that if they all go through at the same time it would make such a tie-up and such a mess that it will take a period of three weeks to unravel the conditions that are brought about by the appearance of so many ships.

Mr. Benidickson: These are military ships.

Mr. Argue: Yes, they are military ships, it does not matter what ships they are; they are going to block the canal.

I raised this question on May 21, Mr. Speaker. I asked the Minister of Trade and Commerce to comment on the very drastic drop at that time from 72 million bushels being shipped through the seaway a year ago to 33 million bushels this year, and the minister replied as follows, as reported at page 3870 of *Hansard:*

I did not require notice of this question from the hon. member. The 47 Conservative members from the prairie provinces are also interested in this matter and have been talking to me about it in the interval. We are not dependent upon one lone figure to draw our attention to these important facts in Canada.

Then he goes on with a real clincher.

I make no comment with regard to the shipping and the seaway facilities; that is not my province.

Grain Shipments through Seaway

The Minister of Trade and Commerce, under whose department comes the sale, delivery and export of grain, says "I make no comment" as a result of a drop of 50 per cent in the shipment of grain through the seaway. I raised this question again on June 1. I asked the Minister of Trade and Commerce the following question, as found at page 4196 of *Hansard:*

I should like to direct a question to the Minister of Trade and Commerce, arising out of the very drastic reduction in shipments of grain from the lakehead. Can the minister explain why shipments from the lakehead since the opening of navigation have dropped from 86 million bushels last year to only 42 million bushels this year, and whether anything is being done to speed up shipments through the St. Lawrence seaway?

The minister replied that farm deliveries were good and that quotas were satisfactory. He did everything but deal with the question I raised. Then I tried a supplementary question.

Mr. Harkness: What date was this?

Mr. Argue: June 1, page 4197 of *Hansard.* I asked the minister this supplementary question:

Mr. Speaker, I wanted to know whether there might be some improvement in this very drastic reduction in shipments out of the lakehead, and I am asking the minister whether he can make any statement on that point. I would like him to comment as to why almost consistently since the opening of navigation Canadian exports are down this year as compared with a year ago.

The Minister of Trade and Commerce replied:

Mr. Speaker, that last statement is quite incorrect. Canadian exports are holding up extraordinarily well.

Then I went on to say:

I am not talking about the year in question; I am talking about recent weeks since the opening of navigation. The graph put out by the minister's own department shows a very substantial reduction. I can send it across to the minister.

I tried the same question the next day and I had figures to substantiate the statement I had made before, namely that Canadian exports had dropped. I asked the minister to explain why Canadian exports from April 22 to May 20 this year were just 15.9 million bushels compared with 25.1 million bushels in the same period last year. After some crossfire the minister replied as follows:

It may well be that exports of wheat during the month of April have been slightly lower than a year ago—

He did not know that the day before but on June 2 he admitted they were down. They were down in April following the opening of navigation and they have been down in May of this year. I have in my hand the latest figures taken from the Canadian wheat board

statistical summary and the board of grain commissioners weekly report. Overseas clearances of wheat from April 11 to May 27 this year amounted to 25.3 million bushels and in the same period last year exports amounted to 35.9 million bushels.

I am glad that the Minister of Agriculture (Mr. Harkness) is in his seat, I ask him if this very substantial drop in exports is not a serious matter, if it is not so important that the government should reply and explain why this very drastic drop in exports of Canadian wheat has taken place since the opening of navigation. When I put the question to the minister that the falling off of shipments from the lakehead might be having an adverse effect on Canadian exports he said no. He said that we had sufficient grain on hand at seaway ports and that even though the St. Lawrence seaway has been unable to handle the volume of grain that was handled a year ago there is enough at the seaway ports to take care of all exports.

I would suggest that that puts the matter in an even more serious perspective in that it shows that there has been no loss of export markets because grain was not available and yet, as I have said, from April 22 to May 27 there has been a drop in exports of wheat from 35.9 million bushels in the same period a year ago to 25.3 million bushels this year. These figures show that since the opening of navigation exports of Canadian wheat are not running anywhere nearly as high as they were a year ago and the situation in the present crop year, which has so far not been as bright as last year, is being made even worse in relation to the export sales of the other major exporting countries.

I have in my hand a Canadian Press article which appeared in the *Globe and Mail* of June 8 and is based on a dominion bureau of statistics report. It reads in part as follows:

> Canadian wheat and flour exports in the August-March period dropped to 188,100,000 bushels from 197,600,000 a year earlier despite a 9 per cent gain in the total market of the big four wheat shippers, the United States, Canada, Argentina and Australia.

From August to March of this year Canadian wheat exports were down 9.5 million bushels or 5 per cent from a year ago. In the same period United States exports were 298,200,000 bushels, up from 255,500,000 bushels a year ago, or an increase for the United States of 43 million bushels or 17 per cent. Argentina's exports were up to 62 million bushels this year from 48,500,000 a year ago, an increase of 13.5 million bushels or 28 per cent. Australia's exports were also up to 50,400,000 bushels this year compared with 46,400,000 bushels last year, an increase of 4 million bushels or 9 per cent.

In the wheat picture in the world today Canada's exports are down while exports by the United States, Argentina and Australia have increased substantially. When we ask the Minister of Trade and Commerce why Canadian exports are down he first of all denies it. Later he says that the reduction in the shipment of grain through the seaway has not adversely affected Canadian exports. So I ask, why has there been such a substantial falling off in Canadian exports since the opening of navigation compared with a year ago? If the grain does not go through the lakehead and through the seaway, if the grain pipe line, as it is called in popular terms, is plugged at Fort William and Port Arthur, this can only mean a falling off of deliveries of wheat and other grains by Canadian wheat producers.

For the period from April 22 to May 27 I find that a year ago farmers delivered 40.7 million bushels of wheat and that in the same period this year there has been a decrease in deliveries of more than 13 million bushels to just 27.3 million bushels. Deliveries from the farms are falling off as one would expect with such a drastic reduction in shipments of wheat and other grains through the lakehead. In the period April 22 to May 27 total deliveries of all grains from farms amounted to 49.4 million bushels a year ago and this year the figure is just 35.8 million bushels, a reduction of approximately 20 per cent this year compared with last year.

Mr. Speaker, the end of the crop year is not far away. The end of the crop year is July 31. Between now and July 31 the Canadian wheat board and the Canadian grain trade have approximately seven weeks in which to provide relative equality of treatment for the grain producers in the prairie provinces. Over the years I have been a strong advocate of a quota system but of a quota system that is equalized during the crop year. No one can expect that quotas can be equalized every day. Everyone who knows anything about the grain business nows that there are certain reasons why grain from time to time is taken from certain delivery points and not from certain other delivery points. But surely it should be the objective of any administration as well as of everyone who is attached to the grain trade in Canada to see to it that in so far as it may be possible provision is made for equal delivery quotas for all producers by the end of the crop year.

What is the situation now? The latest weekly report from the Canadian wheat board which came to my office today shows

that of the three prairie provinces, Alberta is in by far the best situation. For regular quotas there were six points on a four-bushel quota; 135 points on a five-bushel quota; 170 points on a six-bushel quota and 174 points on a seven-bushel quota. In the province of Alberta 70 per cent of all regular delivery quotas were in excess of four bushels per acre, that is of the regular delivery quotas.

In the province of Saskatchewan, as to regular delivery quotas, there were 69 points on a three-bushel quota; 551 points on a four-bushel quota; 318 points on a five-bushel quota; 82 points on a six-bushel quota and 36 points on a seven-bushel quota. Unlike Alberta which has 70 per cent of its points on quotas in excess of five bushels per acre, Saskatchewan has just 11 per cent of the marketing points on this kind of quota in excess of five bushels per acre.

In Manitoba the situation is as bad and perhaps even worse. In Manitoba there are 88 points on a three-bushel quota; 219 points on a four-bushel quota; 50 points on a five-bushel quota; 12 points on a six-bushel quota and 3 points on a seven-bushel quota. In the provnce of Manitoba only some 4 per cent of the marketing points are on a quota in excess of five bushels per acre. This is a tremendous discrepancy. This means that for the great majority of the areas of western Canada, at those points most producers face a marketing quota of three bushels, four bushels or five bushels per acre. Yet at the same time there is a substantial number of points on a six-bushel and a seven-bushel quota. I am hoping that an extraordinary effort will now be made within the next few weeks to bring up the points with a low quota so that there can be greater equality of treatment in western Canada.

I have in my hand a number of maps and charts showing the quota situation prevailing in Saskatchewan on June 1. On looking at these charts one finds that marketing points for the special quota for tough and damp grain, are concentrated in northeast Saskatchewan. A number of times on the orders of the day I asked the government to give special consideration to providing what I termed emergency quotas for the delivery of tough and damp grain. This action apparently has now been taken. I would be interested in finding out when it was taken. I am given certain information that would suggest to me that it is something that has taken place only in recent weeks. In any event I think it has been a good action, namely that farmers who have tough and damp grain should be given an opportunity of marketing as large quantities as possible before the grain deteriorates and is lost.

However, I also have in my hand a chart of the seven-bushel quotas per specified acre. These quotas are not emergency quotas dealing with tough and damp grain; they are regular quotas to take in regular grades of wheat as the farmers deliver it. There is still a substantial concentration of these marketing quotas in northeastern Saskatchewan. The quotas prevail in an area which extends northeast from Saskatoon and southeast from Prince Albert. With the exception of a very few—and there are a few—other points on a seven-bushel quota, the great majority of the points on this quota are concentrated in that area. The six-bushel quota is somewhat more evenly divided but it is still more prevalent in the northeastern and now in the northwestern part of Saskatchewan. The five-bushel quota and the four-bushel quota are scattered about the province but the four-bushel quota is concentrated to a large extent in the southern part of the province of Saskatchewan.

I might say, Mr. Speaker, if I have not already made it clear, that these maps have to do with Saskatchewan only. The quotas in southern and southeastern Saskatchewan are extremely low and I would suggest that they constitute at this time an emergency situation. In the Saskatchewan wheat pool district 3A the latest quotas are as follows: 14 points are on a three-bushel quota; 75 points are on a four-bushel quota and only 13 of the points in that area are on quotas in excess of five bushels. This means that farmers in this area as well as other areas of Manitoba, in other areas of Saskatchewan and perhaps even in some areas of Alberta have not had an equal opportunity, or anything approaching an equal opportunity, to deliver grain at this time.

This situation has been brought about certainly in some substantial degree by the great failure of the St. Lawrence seaway facilities and failure of people in the grain business to pay attention to the need for putting shipments of grain out of the lakehead through the seaway. The Minister of Trade and Commerce says he has no responsibility. If he wants to abrogate his responsibility, if he wants to give it to some other minister, I suggest that the responsibility after all lies with the government. I suggest it is the responsibility of the government to take extraordinary measures to remove the bottlenecks in the seaway and to make certain that Canadian shipments of grain from now to the end of the crop year are given absolute priority of movement through the seaway. It will be too late if the bottleneck has been removed after July 31. Some of the farmers will find they have ended the crop year without an opportunity to deliver

a fair quota of grain and they will be crippled economically because the government has failed to deal with this situation. There has been a transport controller in the past; perhaps the government needs a transport controller today, but it is certainly necessary for someone in authority to see that grain shipments are moved out of the lakehead to protect Canadian overseas markets and to give grain producers on the prairies between now and the end of July a chance to delivery quotas on a more equitable basis.

I would suggest secondly that the government should take emergency action of whatever kind may be necessary to provide all of the box cars that are necessary at low delivery points to give the farmers at those points an opportunity to deliver grain up to I would say at least a 7-bushel quota.

Third, if the government still denies that this situation is as I have pictured it, then I would say that there should be a thorough inquiry by a committee of this house to ascertain why lakehead clearances have dropped by such a drastic and alarming amount as compared with last year. I say that such a committee should inquire into why Canadian exports since the opening of navigation are down, and should inquire why delivery quotas have discriminated to such an enormous degree against producers in certain widespread areas of western Canada.

As a fourth step that I suggest the government needs to take, and I would suggest is morally bound to take, they should decide and announce in this house their policy on deficiency payments and their reply to the grain producers and the briefs they have presented to the government. When we have asked the government what they are going to do about the submissions made by the farm organizations, we get this pat reply. "The government is giving the submission consideration." The submission was submitted to the government on March 10. It has been giving consideration to this now for three months. How long, Mr. Speaker, must the government give consideration to this important submission before it decides on its policy?

Mr. Morris: Mr. Speaker, I rise on a point of order. For our guidance, would it be possible for the hon. member to tell us how he can relate—my friend is too anxious to get up.

Mr. Argue: Well, I have the floor.

Mr. Morris: The hon. member took his seat; will he allow me to put my question? How can the hon. member relate deficiency payments to his grievance that wheat was not moving this year through the lakehead? How does the hon. member relate these two and bear upon the rule of repetition in the house on deficiency payments?

Mr. Argue: Now my friend has raised two points of order, and until the house takes a decision on deficiency payments it is in order to raise the question at an appropriate place, and it is relevant to the question under discussion. I shall answer the hon. gentleman, Mr. Speaker, by merely referring to what I said when I opened my remarks. I said that I wished to raise a grievance having to do with the general grain situation on the prairies. Then I went on, after having made those opening remarks, and talked about the drop in shipments through the seaway. I raise this fourth point, Mr. Speaker. Under the general grain situation and the general grievance affecting the grain situation that I have presented tonight I say that it is time this government quit procrastinating and time they quit fooling the prairie grain producers that in fact they are really giving the question of deficiency payments serious consideration.

I asked a supplementary question of the Prime Minister (Mr. Diefenbaker) after the Leader of the Opposition (Mr. Pearson) had raised this point on May 26. I asked this question as recorded on page 4011 of *Hansard* of that date:

> Can the Prime Minister say whether, following the consideration that is now being given, a decision will be made during the present session of parliament so that if it is necessary to introduce legislation in order to implement the government's decision, that can be done?

To that the Prime Minister replied as follows:

> Mr. Speaker, I would not want to answer that question directly, for the reason that it depends on the length of time during which consideration is given to the request.

The Prime Minister left it open for himself and the cabinet to give consideration to this request, and has done so for months to come, certainly for weeks to come, until the session is ended and until it will be impossible for the house to deal with any legislation that might be required if a decision were favourable. Mr. Speaker, in the name of the grain producers of western Canada I ask the government to come to their assistance in these last weeks of the crop year to provide priorities for the movement of grain through the lakehead, to provide whatever box cars are necessary to allow producers at low delivery points the opportunity to deliver at least a 7-bushel or 8-bushel quota as is being provided for other groups. In the meantime I ask, if the government denies the facts which I have presented, for a thorough inquiry by a committee of this

house as to why lakehead clearances are down, as to why exports have fallen, and as to why delivery quotas are discriminating against so many marketing points and against so many producers in western Canada. I ask the government to take emergency action to remove the bottleneck in the shipments of Canadian grain so that Canadian producers may have the opportunity to deliver substantial quantities of grain before the crop season ends.

Finally, I make a plea that the government ends its procrastination to make a decision and informs the house as to what its decision is on deficiency payments, so that if a favourable decision is made, as I trust it will, parliament during this session will have the opportunity to pass whatever estimates or whatever legislation is necessary to implement that decision.

Mr. Pascoe: May I ask a question, Mr. Speaker? Is the hon. member now changing his story, and will he not admit that most farmers have enough wheat on their farms to fill an 8-bushel quota?

Mr. Argue: Mr. Speaker, if a farmer has an 8-bushel quota, it does not mean that he has the grain to deliver the quota. I am merely asking this very simple thing—

Mr. Pascoe: Will the hon. member answer my question? Have they enough to fill an 8-bushel quota?

Mr. Argue: Some have and some have not. Mr. Speaker, there are 235,000 or a few more holders of permit books on the prairies. Some have enough grain—

Mr. Pascoe: Will the hon. member give an idea how many they could have?

Mr. Argue: Mr. Speaker, I do not think this is a very pertinent point. The pertinent point is whether the farmers in the prairie provinces will have the opportunity to deliver an 8-bushel quota. If they have not the grain at home then they cannot take advantage of that opportunity. There are certain quotas and a certain limited number of points in the west today that are on what are called limited quotas, and in the definition of the Canadian wheat board these are quotas which are now in existence at certain marketing points at a figure high enough to take deliveries. I think the Canadian wheat board can give these statistics to my hon. friend, but I will give him the answer. As of May 25, 1959, in Saskatchewan—and I can give the figures for the three prairie provinces—1,056 points were on regular quotas and only 31 points were on a limited quota, namely on quotas at 31 points which, in the opinion of the wheat board, were ample to take care of the grain which farmers had ready for delivery in those districts. The fact is that many thousands of western wheat producers at this time are crying out for the opportunity to deliver grain, and quotas are being denied to them.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, there are three subjects which, I believe, the hon. member for Assiniboia (Mr. Argue) raised, and I suppose I should be the last one to deal in the house with deficiency payments and the movement of wheat.

However, there is a matter in which I am particularly interested, and that is the first part of the grievance which the hon. member for Assiniboia raised, namely the bottlenecks on the Welland canal and on the seaway resulting in a lack of grain deliveries and leading, also, to difficulty in the movement of grain. The point which the hon. member makes has to do with drastic reductions in grain deliveries out of the lakehead; his point was that Canadian exports have declined since last year. I am not in a position to challenge that statement, nor do I, but what I do say is that if that is the case it is not due to anything that is happening on the Welland canal. The proof of that lies in the fact that up till now, when barely more than two months of the navigation season have gone by, almost twice as much traffic, notwithstanding what is happening, has gone through as in the same period last year.

However, that does not derogate from the fact that the government and the Minister of Transport are not applying the right policies to remedy what is happening, and to that extent I find myself in accord with the hon. member for Assiniboia. We all know that the early delays on the seaway were caused by ice conditions.

Mr. Harkness: If the hon. member intends to speak about matters other than this question of grain deliveries I wonder if he would mind if I replied to that aspect of the debate now, and then we could go on to the other subject.

Mr. Chevrier: I am sorry, but I have to go out of the house to a meeting, and I am ten minutes late. I think I can dispose of this within the next few minutes, but I do want to bring to the attention of the house the fact that here are reasons for the bottlenecks which have arisen, and that the congestion could, in my opinion, have been averted. I think that if a decision had been taken in the first place to open navigation on a fixed date, and not postpone it twice, there would not have been that congestion of ships at Montreal waiting to enter the seaway, creating a bottleneck which afterwards continued in the Welland canal.

Grain Shipments through Seaway

I made a suggestion during the question period which was turned down without any consideration whatsoever being given to it. That was that the introduction of sector gates at the Thorold locks of the Welland canal such as those which exist in the lower locks would speed up traffic considerably. I have since been informed by competent engineers that this is a fact and that their introduction would help tremendously in the movement of ships.

I think, in all fairness to the Minister of Transport, that it is still too early to come to a decision on the present position of traffic on the seaway. I think that the seaway must be given a trial period, and this trial period would certainly be not less than the length of the navigation season and perhaps more. One cannot in two or three months make a decision as to what should be done. But there is one thing which I hope will be considered by the minister. I asked him this question and he hedged in his reply: whether or not the engineers of the special projects branch of the seaway authority should not now be giving careful consideration to the duplication of certain of the Thorold locks on the Welland canal. While the engineers are doing that, it might be possible to arrive at a suggestion, with other studies—one or two of which I am going to make—as to whether or not traffic conditions can be substantially improved.

I think, too, that there is a very serious lack of co-ordination between three bodies in the Department of Transport—the national harbours board, the seaway authority and the St. Lawrence ship channel authority. Those three bodies, I am sorry to say, did not work in co-operation during the early part of the navigation season, and it is because of this lack of co-operation that, in my opinion, there has been the first delays which have since been continued.

I am glad that the Minister of Transport announced today that the flotilla or convoy of United States ships will, perhaps, not be introduced into the seaway. My suggestion is that it should be allowed to remain at Montreal and that it be not allowed to go into the seaway at all, because if there is congestion now, as reports in the press indicate, and as even the minister's statements —some of which are quite contradictory— indicate, there is certainly no reason in the world to clutter up the canal more than is the case at the present time. All this traffic, however, goes to show that the seaway is certainly going to be a success, as has been suggested in the house, at this time of the year so early in the period of navigation.

[Mr. Chevrier.]

Then there is the really important question of whether or not there should be discrimination against Canadian ships. I raised the question on the orders of the day, and was told, in reply, that there was a system of priorities in existence which staggered a foreign ship and a Canadian ship in so far as bulk cargoes were concerned and it was felt that there should be no change in the procedure in the meantime because, I think the minister said, there were four ships waiting to enter the canal at Port Weller and about five waiting to enter the canal at Port Colborne on the downward movement or vice versa. That is a matter for which the government is responsible. I remember quite well what the statements were in so far as discrimination was concerned when the matter was discussed many years ago, but whether or not in view of what is happening there should be a system of priorities affecting Canadian traffic is a matter for the government to determine. But I say that the government should determine that as soon as possible having regard to the reports which have been made by the Minister of Transport (Mr. Hees) from time to time.

I think that the minister should at the first opportunity—that is Wednesday when his estimates are being discussed in this house—make a statement on this subject. He is in possession of the facts; he has the reports from his engineers and he is familiar with the statistics which have been compiled concerning the movement of ships. I think he owes it to the house and to the country to make a complete statement on the present position—not partial statements such as we have heard from time to time in the question and answer period. That is not sufficient, and I think that until such a full statement is made it will not be possible for us to make up our minds about the seriousness of these delays on the canal and the confusion which has been reported. I therefore invite the minister to make this statement at the earliest possible moment.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I do not propose to go into transportation matters at all in my discussion this evening. However, I should like to make a few comments on the speech made by the hon. member for Assiniboia (Mr. Argue). The hon. member as usual attempted to paint a picture of gloom and anticipated despair on the western prairie as a result of the inability of farmers to market their grain. Nothing could be further from the true facts than the type of picture he attempted to leave in the minds of hon. members in this regard.

Mr. Argue: You cannot get away from the facts and statistics.

Mr. Harkness: The hon. member repeated time after time with somewhat monotonous regularity the statement that Canadian exports are down this year. At one point he said that Canadian exports of wheat are drastically down this year. Naturally he implied all of the evil results that would flow from our exports being drastically down.

What is the true situation in this regard? The Minister of Trade and Commerce (Mr. Churchill) put the figures on the record only a few days ago, on June 1, when he stated that up to the end of March of this year exports of wheat and flour were just under 9 million bushels below the figure for the same period last year. That is the drastic decline to which the hon. member for Assiniboia (Mr. Argue) referred. Last year exports of wheat from this country amounted to 316 million bushels—

Mr. Argue: Mr. Speaker, I rise on a point of order. The minister will recall that in my remarks I was referring to the drastic reduction in exports since the opening of navigation. In order to be completely fair I took the exports from the beginning of the first full week following the opening of navigation.

Mr. Bell (Carleton): That is not a point of order. That is an argument.

Mr. Harkness: The hon. member is not advancing a point of order but merely engaging in counter argument. The hon. member repeated time after time that our exports of wheat are drastically down.

Mr. Argue: Since the opening of navigation they are drastically down.

Mr. Harkness: The hon. gentleman attempted to paint a picture of gloom and despair as far as the western farmer is concerned. The true picture as I said is depicted by the information placed on the record by the Minister of Trade and Commerce on June 2 as reported at page 4242 of *Hansard*. Our exports are down just 9 million bushels below a year ago. Down 9 million bushels from what? From 316 million bushels which we exported in the last crop year as compared with 267 or 268 million bushels exported in the previous crop year. The hon. member neglected entirely to point out the fact that in the first year this government was in office we managed to secure a marked increase in the exports of wheat from Canada.

Mr. Argue: Now you are falling behind again. Exports are down.

Mr. Harkness: Three hundred and sixteen million bushels were exported in the last crop year as compared with 267 or 268 million in the previous crop year.

Mr. Argue: You are falling behind once more. Exports are declining.

Mr. Harkness: The hon. gentleman is now talking about a drop of 9 million bushels from the figure I mentioned up to date. We have not yet reached the end of the crop year. The hon. gentleman described it as a drastic decline which is a typical example of the exaggerated language in which the hon. member unfortunately engages.

As a matter of fact, the Minister of Trade and Commerce, the chairman of the wheat board, various members of the wheat board, and various members of the government including myself have stated on several occasions during the past months that we expected our exports of wheat this year to reach at least 300 million bushels. We still expect our exports to reach that figure. The amount we have exported thus far gives every indication that this target will be reached. If we do reach exports of 300 million bushels then all the other complaints the hon. member has been making about quotas will disappear.

Mr. Argue: Not at all.

Mr. Harkness: This will mean that practically all the farmers in western Canada will have been able to deliver all of the wheat they wanted to deliver to the elevators. When you subtract the amount they want to retain for seed and so on there will be few farmers in western Canada who will have any wheat that they have been unable to deliver.

Mr. Argue: We will see on July 31.

Mr. Deputy Speaker: Order.

Mr. Harkness: The hon. member went on to say that Canadian exports are down whereas Argentine and Australian exports are up. What he neglected to say was that Australia had a crop failure last year and actually imported wheat from Canada. As proof that Canada is not doing well the hon. member pointed out that Australian exports are up. Naturally they would be up if Australia had no crop failure this year as was the case last year. With typical lack of logic the hon. member attempted to take an extraordinary year as far as Australia is concerned to prove his point that Canada is not doing very well in wheat exports. We know that Australia last year actually imported wheat from Canada. That is an indication of what a completely unfair, biased

argument the hon. gentleman advanced and illustrates the incorrect impression he attempted to convey.

The hon. gentleman went on to exclaim that there were very low delivery quotas. Rather than being low, delivery quotas are the best they have been for a number of years. They are better than they have been for a number of years in the past. I do not have on hand the exact period this would cover but they are better than they have been for a considerable length of time. The hon. member read off a long list of delivery quotas but neglected to refer to what the Minister of Trade and Commerce told him as reported at page 4197 of *Hansard* of June 2 when the minister said:

> If he has any further worry with regard to the quota distribution in the prairie provinces, may I assure him that this year at this time there are 264 stations on a 7-bushel quota per specified acre; last year there were none. This year there are 308 stations on a 6-bushel quota per specified acre; last year there were 341. Generally the picture is much better than it was a year ago.

The hon. member having been told this and knowing it of his own knowledge still rose in his place and said that delivery quotas are low and that a serious situation exists in western Canada because farmers cannot deliver their grain.

I have in my hand the Regina *Leader-Post* of Friday, June 5, 1959 which contains an article entitled, "Board Not Concerned by Small Wheat Export" which is a statement of the wheat board.

Mr. Argue: I thought there was a big wheat export; you said there was.

Mr. Harkness: The hon. gentleman should let me make my speech. I did not interrupt him. The article states in part:

> The Canadian wheat board Thursday announced new increases in grain delivery quotas at provincial points.
>
> The following increases are effective immediately—

That is, effective on Friday. The article then lists 24 points that are to be put on a 4-bushel quota, 50 points that are to be put on a 5-bushel quota, 19 points that are to be put on a 6-bushel quota and 16 points that are to be put on a 7-bushel quota. These are all Saskatchewan points. The article then lists increases that are to be effective on Monday; in other words, today. A further 34 points are to be put on a 4-bushel quota, a further 96 points are to be put on a 5-bushel quota, a further 28 points are to be put on a 6-bushel quota, a further 5 points are to be put on a 7-bushel quota and a further 11 points are to be put on an 8-bushel quota.

In other words, due to the fact that we have been exporting grain at a very satisfactory rate this year the delivery quotas are rapidly going up in Saskatchewan and Manitoba. They were already somewhat higher in Alberta as the hon. member said. I have no doubt that the hon. gentleman, if he read this newspaper article—

Mr. Argue: No, I did not.

Mr. Harkness: Certainly he should not be making speeches such as he made in the house when delivery quotas on Friday last and today were considerably increased in the very province about which he was complaining.

Mr. Argue: The picture I painted was accurate.

Mr. Deputy Speaker: Order. I must remind the hon. member for Assiniboia (Mr. Argue) that he is not entitled to speak from his seat when another hon. member has the floor. It would be appreciated if he did not constantly interrupt the Minister of Agriculture (Mr. Harkness). If the hon. member for Assiniboia wants the floor he may have it at some other time.

Mr. Harkness: Mr. Speaker, I do not mind the hon. member interrupting because I know this hurts a little and therefore I expect to hear him squeal to a certain extent.

Having disposed of this complaint raised by the hon. member for Assiniboia that very low delivery quotas obtained this year and having indicated that exactly the reverse is the true situation I should like to turn to the remarks the hon. gentleman made about low shipments from lakehead ports. Just the reverse is the case. I should like to say something about what he had to say about low shipments from lakehead ports. I should like to ask him, or any other hon. member here, if any exports have been lost as a result of the lower shipments from lakehead ports this year. There is not an hon. member in this house who can say that any has been lost.

Mr. Argue: Why then are they down?

Mr. Harkness: In this same paper is a statement from the wheat board in which they state:

> A spokesman of the Canadian wheat board said there is no problem,—

He is talking about small shipments from the head of the lakes this year. I continue:

> —there is no problem, as plenty of wheat is in store at eastern elevators right now.

In other words, we have not lost the sale of a single bushel of grain because the shipments on the lakes are lower this year than they were last year. The hon. member was building up a great big strawman, and then

trying to make a big fellow of himself by punching holes in it, by talking about those low grain shipments from the head of the lakes this year. This has not lost us a bushel of exports, not one, and therefore, this was all shadow-boxing by the hon. member for Assiniboia.

Then, he made an attack on the Minister of Trade and Commerce (Mr. Churchill) in connection with his saying that he had no comment to make on the transportation difficulties on the great lakes. After reading what the Minister of Trade and Commerce had to say, which was as follows:

I make no comment with regard to the shipping and the seaway facilities—

He made a great point out of the fact that the Minister of Trade and Commerce takes no interest in this; he apparently does not care about the seaway shipments, and so forth and so on, and this was a terrible dereliction of duty on the part of the Minister of Trade and Commerce, but he completely neglected to read what the Minister of Trade and Commerce said after that, which was as follows:

The situation with regard to export trade is being maintained. The fact that the shipment of grain from the lakehead is not as great as it was last year has no effect on our export market at the present time, because there is sufficient grain in position further east to handle these exports. Our exports of wheat are continuing at a good figure. We still expect to reach the quota that we set earlier in the year.

This is on page 3870 of *Hansard* of May 21. The quota that we set earlier in the year was 300 million bushels, which I mentioned a little while ago. If we reach the 300 million bushels, which I feel quite confident we will, which the members of the wheat board feel quite confident we will, then the number of farmers who will have been unable to deliver the grain they wanted to deliver will be very, very small indeed. As a matter of fact, Mr. Wesson, the head of the Saskatchewan wheat pool, when he was down here on his last trip about 10 days ago, I guess, in connection with deficiency payments, made that very statement to us, that in his opinion the four and five bushel quotas which existed at most points would be more than sufficient to take the grain that the great majority of farmers in western Canada wanted to deliver, let alone going to six, seven and eight bushels quotas which the hon. member was talking about. I would suggest he should get some better information from Mr. Wesson and some of the other people who know something about the grain business and the grain situation in western Canada than the type of information with which he has been attempting to give a completely inaccurate picture to the house this evening.

Mr. Argue: May I ask a question? Will the minister assure the house that all marketing points at July 31 will have at least a seven bushel quota?

Mr. Harkness: The hon. member knows to begin with that this is not my department, and I am not in a position to give any such assurance to the house, as a result of that.

Mr. Argue: That is the answer to your own speech.

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

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

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF FINANCE

General administration—

106. Departmental administration, $2,461,599.

PRIVY COUNCIL

298. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's privy council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a Member of the House of Commons) of a salary of $7,500 per annum and pro rata for any period less than a year, $15,000.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

380. Departmental administration, including fees for membership in the international organizations listed in the details of the estimates, $2,636,084.

Progress reported.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

FURTHER EXTENSION OF INCOME TAX RATE

On the order:

Third reading of Bill C-41, an act to amend the Federal-Provincial Tax-Sharing Arrangements Act —The Minister of Finance.

Hon. Lionel Chevrier (Laurier): Perhaps we would be ready to go on at this stage.

Mr. Green: If the hon. member wished, we could call it ten o'clock.

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be for tomorrow and the rest of the week?

Mr. Green: Mr. Speaker, the list would be as I indicated on Thursday and Friday night. If we go into estimates this week it would be the estimates of the Department of Transport.

Mr. Chevrier: Would that be on Wednesday?

Mr. Green: It depends on what progress we make.

Mr. Chevrier: What estimates will follow the estimates of the Department of Transport?

Mr. Green: The Department of Justice.

Mr. Chevrier: May I ask the house leader whether any determination has been made of the date on which the defence estimates will be discussed?

Mr. Green: Mr. Speaker, I cannot say that; I will let the hon. member know just as soon as possible.

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

ANSWERS TO QUESTIONS

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

DR. RICHARD S. MACNEISH—BACKGROUND

Question No. 287—**Mr. Argue:**

1. At what universities did Dr. Richard S. MacNeish, presently an employee of the national museum of Canada, take his degrees?
2. At what universities did Dr. MacNeish take post graduate training, and under whom did he study?
3. Is Dr. MacNeish a veteran of any war?
4. If so, in what armed forces did he serve, and in what war?
5. What positions had Dr. MacNeish held previous to his appointment to the staff of the national museum of Canada?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. University of Chicago.
2. Harvard University, University of Michigan and University of Chicago; names of professors studied under not available in departmental records.
3. Yes.
4. United States of America forces; world war II.
5. District supervisor, museum project, works progress administration; archaeological supervisor, Illinois state museum; archaeological supervisor and fellow, University of Michigan; director, archaeological field school, University of Kentucky; director, second Tamaulipas expedition, Mexico, under auspices of Wenner-Gren foundation for anthropoligical research, New York City.

DR. RICHARD S. MACNEISH—U.S. RECOMMENDATIONS

Question No. 290—**Mr. Argue:**

1. Have any communications ever been received by officers of the Department of Northern Affairs and National Resources or any other agency of the Canadian government, either directly or indirectly, from any official or agency of the government of the United States, since January 1, 1948, regarding Dr. Richard S. MacNeish, presently an employee of the national museum of Canada?
2. If so, by whom were these communications received, from whom were they received, on what dates were they received, and what was the nature of each such communication?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Not to our knowledge.
2. N/A.

NATIONAL MUSEUM—WM. E. TAYLOR

Question No. 406—**Mr. Argue:**

1. Has a Mr. Wm. E. Taylor ever been employed at the national museum of Canada?
2. If so, has Mr. Taylor ever taken (a) the oath of allegiance; (b) the oath of office, as required by section 42(1) of the Civil Service Act?
3. If so, on what date was this done?
4. If not, under what authority was Mr. Taylor allowed to take a position under the jurisdiction of the Civil Service Act?
5. At what universities did Mr. Taylor take his degrees, in what subjects did he specialize, and under whom did he study at each university?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. See answer to question No. 393.
2. (a) Yes; (b) yes.
3. May 29, 1956.
4. N/A.
5. University of Toronto, B.A. (honours), 1951; anthropology; Professor T. F. McIlwraith, Dr. G. Gordon Brown, Dr. J. N. Emerson, Dr. E. S. Carpenter.

University of Illinois, A. M., 1952, sociology; Professors J. Steward, J. C. McGregor, O. Lewis and B. Zimmerman.

University of Michigan, passed preliminary examination for Ph.D. 1956; anthropology; Professors L. A. White, J. B. Griffin, A. C. Spaulding, R. K. Beardsley, F. Thieme and E. Service.

HOUSE OF COMMONS

Tuesday, June 9, 1959

The house met at 2.30 p.m.

BROADCASTING

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. G. E. Halpenny (London) presented the first report of the special committee on broadcasting, and moved that the report be concurred in.

Motion agreed to.

AIRPORTS

MALTON—REQUEST FOR TABLING OF JUDGMENT AND EVIDENCE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. Will the Prime Minister table in the house a copy of the judgment, No. 151177, of Mr. Justice Thorson in the Drew case?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I shall secure a copy. There is certainly no reason why it should not be tabled.

Mr. Chevrier: May I ask another question arising out of the one I have already asked. Will the Prime Minister also table the transcript of the evidence heard in this particular case?

Mr. Diefenbaker: Mr. Speaker, the transcript of the evidence is naturally available to anyone who desires to secure it and will pay the necessary fee. I see no reason—this, of course, is always subject to reconsideration —why that evidence should be tabled. If the hon. gentleman, being a learned member of the bar, would simply make the necessary application and pay the proper fee, no doubt he would be able to secure a copy of the proceedings.

Mr. Chevrier: Mr. Speaker, I should like to direct another question to the Prime Minister. As a result of our examination on this side of the house of the judgment of Mr. Justice Thorson and, in particular, in view of the fact that such further examination of the judgment and the Prime Minister's statements on the matter have not removed our apprehensions in this case, I wish to ask the Prime Minister whether he will provide an opportunity for a parliamentary examination in order to elicit the facts and clear up contradictions.

Mr. Diefenbaker: Mr. Speaker, it is not a question of removing contradictions. The committees are set up in respect of matters affecting the privileges of parliament. If the hon. gentleman in the ordinary course desires such an investigation then he will make the necessary charge, and when the charge is made action will be taken in accordance with the principles that at all times have been applicable to parliamentary procedure.

Mr. Chevrier: Mr. Speaker, may I direct a question to the Minister of Transport. Did the minister make a formal submission to treasury board in connection with the valuation of Mr. Clare?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, as I said, I believe all the pertinent evidence in this case was dealt with very effectively by the presiding judge. As I said yesterday, I feel sure that the hon. member for Laurier, being a distinguished barrister, would not ask me to comment on the findings of the court.

Mr. Chevrier: A supplementary question, Mr. Speaker. This question has nothing to do with the findings of the court. It is a simple question as to whether or not the minister did make a submission to treasury board.

Mr. Hees: Mr. Speaker, treasury board was made aware of the findings of Mr. Clare.

Mr. Chevrier: Mr. Speaker, may I follow up the question I asked of the Minister of Transport in which he replied that the findings of the appraiser were made known to the treasury board. May I ask if those findings were made known to the treasury board notwithstanding the recommendation of the minister's own officers that the valuations were too high?

Mr. Hees: Those findings were examined by the treasury board staff, Mr. Speaker, and the opinion of the members of the treasury board staff was that the valuations could not be accepted.

Mr. Chevrier: May I ask one further question of the minister. Did the minister agree that his department would be bound by the

valuations of Mr. Clare, as asserted by the hon. member for Peel (Mr. Pallett)?

Mr. Hees: Mr. Speaker, the hon. member knows very well, having been minister of this department for some eight years, that no minister can be bound by any valuations that are not passed by treasury board.

Mr. Chevrier: That was not the question. I am quite aware of the circumstances—

Some hon. Members: Order.

Mr. Speaker: It seems to me that the hon. member is conducting a cross-examination.

LABOUR CONDITIONS

GLACE BAY, N.S.—REQUEST FOR ASSISTANCE TO UNEMPLOYED MINERS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. Did the Prime Minister receive a telegram from Mr. William H. Marsh, president of district 26, united mine workers of America, Glace Bay, to the effect that 200 workmen are presently without income in the district, and their unemployment insurance benefits having expired, immediate financial assistance is urgently required? Would the Prime Minister say whether the government is considering taking any action that would be of assistance to these unemployed workers?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I speak from recollection and it is difficult, because of the number of telegrams that come to me, to remember all the details. I speak subject to correction, but my recollection is that a telegram to that effect was received. Following its receipt the necessary consideration will be given to the telegram.

Mr. Argue: A supplementary question, Mr. Speaker. I should like to ask if any consideration has been given to an extension of benefits under the Unemployment Insurance Act that would cover these unemployed workmen.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman was kind enough to forward me a copy of the telegram which he received, which indicates that a telegram in the words used was sent to me on June 8. That was yesterday, and the hon. gentleman will understand that consideration of a matter such as was communicated by telegram yesterday afternoon would not have been possible as yet.

[Mr. Chevrier.]

SUMMER EMPLOYMENT—STATEMENT ON REQUEST THAT CANADIAN STUDENTS HAVE PRIORITY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. member for Beauce asked me a question on June 5, the translation of which is as follows:

In view of the fact that many Canadian students have to quit college—

And so on.

—I wonder whether the right hon. Prime Minister could assure the house that Canadian students will be given priority over the many foreign students who, according to that Canadian Press dispatch from London—

Which he had already quoted.

—are already here or are expected to be here this summer.

The press report in question indicates that some 500 students intend to come forward to Canada and the United States with a view to taking summer employment. A report has just been received from the Canadian immigration office in London establishing that the commonwealth migration council plans for only 70 of these students to come to Canada. In the past there has been a summer exchange of students between Canada and the United Kingdom. The body that is in charge of this matter has been advised that only those students can come forward who are assured of employment in advance. While it is not proposed to do away completely with the exchange of students, it has been pointed out that only those may come who have available summer employment in advance of their arrival here.

(Translation):

TRADE AND COMMERCE

REQUEST THAT SIGNS BE PRINTED IN BOTH LANGUAGES

On the orders of the day:

Mr. Marcel Boivin (Shefford): Mr. Speaker, I should have liked to direct a question to the Minister of Trade and Commerce, but in his absence, I shall address it to the Acting Minister of Trade and Commerce. On Saturday, June 6, *La Presse* published a picture showing that literature handed out at the Trade and Commerce Department stand, at the International Trade Fair being held in the Show Mart in Montreal, is exclusively in English. Does the minister propose to have that literature printed in both French and English, as was done by other countries taking part in the fair?

(Text):

Hon. J. M. Macdonnell (Minister without Portfolio): I shall take this question as notice, Mr. Speaker.

HOUSING

ST. JOHN'S, NFLD.—INQUIRY AS TO CHANGE IN PERSONNEL OF HOUSING AUTHORITY

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Public Works, notice of which has been given. Has any change been made recently in the board of the St. John's housing authority? If not, is there any in contemplation?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, as the house will probably remember there was some difficulty a few weeks ago in connection with the St. John's housing authority. Objection had been raised by the federal government that it had no representation on that authority. The membership consisted of seven persons. About two weeks ago three of them resigned, and negotiations have been going on since that time between the two governments. Yesterday I had a very friendly talk with Premier Smallwood and recommended to him three very responsible citizens of St. John's for appointment to the St. John's housing authority. He has promised me that they will be appointed within the next day or two. Appointments are made by provincial order in council.

I believe it will now be possible for the housing authority to carry on with the full co-operation of both governments, and I would like to thank both hon. members from St. John's and the hon. member for Bonavista-Twillingate (Mr. Pickersgill) for helping to bring about this result.

FISHERIES

WEST COAST—INQUIRY AS TO STUDY OF COMMERCIAL FISHING LICENSING

On the orders of the day:

Mr. John Drysdale (Burnaby-Richmond): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. Is it intended to provide Professor Sinclair with any assistance in order to enable him to report on his study of commercial fishing licensing on the west coast before the end of this year?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I thank the hon. member for giving me notice of his intention to ask this question. Professor Sinclair, of the University of Manitoba, has been re-engaged for the summer months in order to complete his work on the study of commercial fishing licensing on the west coast. We have provided additional clerical assistance in the Vancouver area office to process the statistical information so that Professor Sinclair's work, we hope, will be completed and available for study by officials of my department later this year.

NATIONAL DEFENCE

REQUEST THAT SIGNS BE PRINTED IN BOTH LANGUAGES

On the orders of the day:

Mr. Marcel Boivin (Shefford): I would like to direct a question to the Minister of National Defence. I will address my question to him in French.

(Translation):

Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is the minister aware that all printed matter at the Canadian Air Force stand, at the International Trade Fair held at the Show Mart in Montreal, is in English only and that the clerk in charge at the stand is not bilingual? Is it the minister's intention to correct this situation by making that literature available in both French and English, and by appointing a bilingual person who could answer visitors questions in French and in English?

(Text):

Hon. G. R. Pearkes (Minister of National Defence): I shall be very pleased to look into that question and see what can be done.

BOMARC MISSILE—REFERENCE TO REMARKS OF MINISTER ON JUNE 8

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, will the Minister of National Defence not wish to correct *Hansard*, which reports him as saying yesterday that the Bomarc will be ready in 1961, when he actually stated that it would be ready by the end of 1961?

Hon. G. R. Pearkes (Minister of National Defence): I have always said that the expected date by which the Bomarc will be ready is the end of 1961.

Mr. Martin (Essex East): Will the minister note that at page 4414 of *Hansard* he is reported as saying, "My understanding is that it will be in 1961"?

An hon. Member: What is the difference?

Mr. Martin (Essex East): Quite a difference.

AGRICULTURE

CHICKENS—REQUEST FOR ACTION TO INCREASE CONSUMPTION OF BROILERS

On the orders of the day:

Dominion-Provincial Relations

Mr. Marcel Boivin (Shefford): Mr. Speaker, I should like to direct a question to the Minister of Agriculture as a result of the visit of the delegation of Canadian broiler producers who came to Ottawa. Since no action has been taken on their request, and since broiler prices continue to drop, is it the intention of the Department of Agriculture to do something to promote the consumption of broilers in this country?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, the consumption of broilers is really very high. It has increased quite materially during the last four or five years. I know of no action which the Department of Agriculture can take to increase what is already a very high rate of consumption of broiler chickens.

NATIONAL REVENUE

BOISSEVAIN, MAN.—SCHOOL ATTENDANCE OF CHILDREN OF CUSTOMS OFFICERS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of National Revenue whether his attention has been drawn to an editorial in the Winnipeg *Free Press* of last Thursday entitled "Manitoba's Old Crow", which refers to the fact that customs officers at a port south of Boissevain, Manitoba—incidentally, that is the right way to pronounce it—are obliged for financial reasons to send their children to school in North Dakota. If the situation is as represented, would the minister consider trying to do something to have it corrected?

Hon. George C. Nowlan (Minister of National Revenue): My attention has been drawn to the article in question. One opinion is that the situation is due to a regulation laid down by treasury board when the great friend of the hon. member who just asked the question, Mr. John Deutsch, was secretary of the treasury board and insisted on that procedure being carried out.

I have asked my officers to review the matter. As a matter of fact I was discussing it with the deputy minister this morning. We will give the matter the most careful consideration and will advise the hon. member as to whatever steps may be taken to deal with it. It does appear rather strange that children of Canadian customs officers should have to stand and swear allegiance to the United States flag.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

FURTHER EXTENSION OF INCOME TAX RATE

Hon. Donald M. Fleming (Minister of Finance) moved the third reading of Bill No. C-41, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

[Mr. Martin (Essex East).]

Hon. Paul Martin (Essex East): May I ask the minister a question. Can he tell us whether or not it is the intention of other premiers to come to the conference on July 6, that is other than the premier of Quebec, and can he tell us whether or not before the end of this year there will be called a conference of the two senior levels of government in the matter of fiscal relations?

Mr. Speaker: I must inform the house if the hon. minister answers this question—no, it is not a substantive motion.

(Translation):

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, my first words will be to thank the hon. member for Bellechasse (Mr. Dorion) for being here today, because I advised him of my intention to answer certain statements he made in the house on second reading of this bill.

Mr. Speaker, I have found the hon. member for Bellechasse quite different from what he had shown himself to be before coming to this house. It seems that the hon. member had been entrusted with the task of answering, on behalf of the Quebec Conservatives, the excellent speech of the hon. member for Laurier (Mr. Chevrier). Well, Mr. Speaker, as I shall presently explain, the hon. member for Bellechasse has in no way taken up the challenge issued by the hon. member for Laurier to the Conservative members from the province of Quebec.

To the great surprise of all those who heard him, the hon. member for Bellechasse declared himself in favour of this bill and, together with several of his fellow-members, he voted for the passing of the bill on second reading. Moreover, I am certain—because he told me so—that the hon. member will vote in favour of the bill on third reading.

Mr. Speaker, first of all, I want to recall in this house that, in order to mark time, and probably also to direct the attention of the Prime Minister (Mr. Diefenbaker) to himself, the hon. member of Bellechasse thought it preferable to put aside the bill then under review and to embark upon a lengthy statement on the *Plagiaries of Thunder*. Hearing the hon. member made me think of a student of rhetoric who wants to show off before his teacher in order to get good marks. Well, Mr. Speaker, I shall leave my friend, the hon. member for Bellechasse to his *Plagiaries of Thunder*, and put him in the presence of facts so as to prove to the house how often he can change his mind and also change his colour, like a chameleon, according to the place where he happens to be.

During the last election campaign, I noted several statements by the hon. member for Bellechasse which indicated to what extent that man could change his mind. When he wanted to become a member of parliament, he was saying one thing; but now that he wants to become minister, he says quite another thing.

Mr. Speaker, I say to the hon. member for Bellechasse that if, during the last election campaign, he had expressed the same opinions concerning fiscal arrangements which he did the other day in this house, he would never have been elected, no more than he could hope to become minister if he expressed in the house opinions similar to those he did express in Bellechasse.

Alas! Mr. Speaker, the poor taxpayer!

(Text):

Mr. Speaker: Order. I think before the hon. member pursues these election issues further I should remind him and the house that this is the third reading of Bill C-41, which has one clause only, to provide for the continuation of a provision with respect to income tax in federal-provincial fiscal arrangements. On third reading the debate is not on the principle of the bill; the debate is on the bill itself as it is presented to the house for final approval.

That is a very different matter from debate on second reading. What the hon. member is saying would perhaps have been appropriate on second reading; in fact I have no doubt it would have been, but on third reading I feel that hon. members should observe the precedents. I refer hon. members to Beauchesne's fourth edition, citation 418, which states:

> All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

In other words, only what is contained in the bill is before the house on third reading. Supplementing that, May's sixteenth edition at page 421 states that generally no matter ought to be raised in debate on a question which would be irrelevant if moved as an amendment.

I think it has been the practice of this house to confine the debate on third reading strictly to the contents of the bill itself, and I would ask the hon. member to bear that in mind. If anyone disagrees with my interpretation I would be glad to hear him now, so we shall know what are the limits of this debate.

(Translation):

Hon. Paul Martin (Essex East): Mr. Speaker, I am of the opinion that the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) has the right to reply to the speech made the other day by the hon. member for Bellechasse (Mr. Dorion). This is just what the hon. member for St. Jean-Iberville-Napierville is doing and I do not see why he should be prevented from doing so.

(Text):

Mr. Speaker: I am sorry; I cannot accept that proposition at this time. As I said before, and as the hon. member for Essex East will recall, it would have been relevant in the course of debate on second reading, but one cannot expect to reply at this stage to something which was said in committee or on second reading or at the resolution stage, unless it is relevant at this stage and will stand on its own feet.

(Translation):

Mr. Dupuis: Mr. Speaker, in a few moments we shall be called upon to vote the third reading of Bill C-41 to amend the Federal-Provincial Tax-Sharing Arrangements Act and to allow the deduction of 13 per cent. Now, I should like to tell the house that the hon. member for Bellechasse, when he was visiting his constituency—

Some hon. Members: Order! order!

Mr. Dupuis: —and precisely on the matter of provincial autonomy and fiscal arrangements now being considered, the hon. member for Bellechasse, as I say, had promised something altogether different from what he said in the house the other day.

Mr. Dorion: My remarks were misreported to you by Mr. Lamontagne.

(Text):

Mr. Speaker: I hope the hon. member will take note of what I said previously. The autonomy of the provinces is not involved in this bill. This bill is purely an arrangement for the extension of a specific provision of the Federal-Provincial Tax-Sharing Agreements Act, and I would ask the hon. member to confine himself to that subject.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I say a word on behalf of the hon. member for St. Jean-Iberville-Napierville. As I see it, citation 418 deals in effect, as Your Honour has said, with the principle of the bill on third reading, and the principle of the bill concerns not only section 12, which is now before the house, but also concerns the other sections. It is my submission that the hon. member in dealing with the general aspects of the federal-provincial tax-sharing agreements legislation has the right to put on *Hansard* certain statements made by those who are members of this house.

Mr. Speaker: I can only accept the hon. member's submission in so far as those statements are relevant to the clause of the bill. To my mind the debate on the principle of the bill on second reading is a broad debate, and there was no restriction at that time covering the whole range of federal-provincial arrangements, conferences and all those matters. But when we come to third reading the house has disposed of the principle of the bill. It has disposed of the amendments, if any, in committee, and it has settled on one clause, which is all that is before the house now. It is only in so far as it is necessary to go outside the bill to explain what the continuation of this section involves that such extraneous matters would be relevant. To my mind that is not a very wide field and I hope hon. members will accept that view and keep their attention directed to the bill as it has been accepted in committee.

Mr. Chevrier: I think the hon. member can do that, sir, but the point is that in dealing with the clause as it is now before the house the member is entitled to more than the ordinary latitude because of the fact that the tax-sharing agreement embraces an over-all formula. I think in so far as the formula is concerned, which formula has been adopted by the Department of Finance and the government and is being extended in this case, the member could discuss that in relation to what another member has said about the particular federal-provincial agreement.

Mr. Speaker: I would be glad to hear any other hon. member, but I have not accepted what the hon. member for Laurier has said because this amendment continues a 13 per cent rate instead of a 10 per cent rate. The whole of the tax agreement of 1956 is not in issue in any way in this bill; the only thing which is in issue as I conceive it is whether or not the rate of allowance with respect to income tax shall be 13 per cent or 10 per cent. I may be wrong about that, and if I am I shall be glad to be so shown; but unless I am convinced to the contrary it seems to me that there is only this pretty narrow range for debate.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, with respect, it is quite clear that the position advanced by the hon. member for Laurier is quite untenable and entirely at variance with the citation you quoted from Beauchesne. The effect of this very short bill is simply to change one figure in the main act, namely the figure 10 to the figure 13, with respect to the current fiscal year. That is what it does and that is all it does.

Mr. Speaker, there is no occasion whatever for hon. members opposite to complain that they did not have ample latitude. The hon. member for Bellechasse (Mr. Dorion) spoke in this house in the debate on second reading on June 3. The hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) could have spoken if he had chosen. The hon. member for Essex East (Mr. Martin) followed the member for Bellechasse on that occasion and had ample opportunity to discuss what was said by the hon. member for Bellechasse. Then the house moved on from that stage, having approved the principle of the bill by unanimous vote on June 4.

That matter, I take it, is conclusively settled by the vote of the house. There was a vote of 156 to 0; therefore, Mr. Speaker, if there ever was a case where the rule set forth in Beauchesne which you quoted, clearly applies it is surely in this situation. With great respect I submit the hon. member must confine himself to the terms of the bill now under debate.

(Translation):

Mr. Dupuis: Mr. Speaker, I distinctly remember, as we all do, that in 1956, when the act that is being amended was introduced, Conservative members were fully against the proposal. Of course, the figure was not 13 per cent then, but 10 per cent. However, they were against it. Therefore, when the hon. member for Bellechasse, together with his colleagues from Quebec, attempt to show that this bill is quite in order, and when they support it, after objecting so strenuously to its principle, I say, Mr. Speaker, that we have here an about-face that must necessarily be brought to the attention of the people.

Mr. Speaker, we are now considering an act which, in 1956, was recorded in our statutes under No. 4-5 Elizabeth II, chapter 29. Now, Mr. Speaker, that act, which was approved on January 31, 1956, was taken up in this house by our hon. friends, many of whom are still with us today.

Mr. Fleming (Eglinton): Mr. Speaker,—

Mr. Dupuis: And, Mr. Speaker,—

(Text):

Mr. Fleming (Eglinton): Mr. Speaker, I rise on a point of order. It is quite clear that the hon. member is not adhering to the ruling you have given. He is just going right ahead with the same speech he was making when you rose to set forth the rule.

Some hon. Members: No, no.

Mr. Fleming (Eglinton): Mr. Speaker, I urge that the hon. member be required to adhere to the clear rule which you have quoted and laid down.

Mr. Speaker: I shall follow the hon. member's discourse with that consideration in mind. So far, however, it does not seem to me that he has strayed. I hope he understands that I will be critical and will ask him to desist if he goes beyond the proper scope of the discussion of this bill and its setting in connection with the other act of 1956. It does not involve the other sections of that act; it involves only what is contained in this amending bill.

(Translation):

Mr. Dupuis: Mr. Speaker, I am grateful for your decision, which I think is completely fair and to the point.

Mr. Speaker, see how that little "Rebecca" from the Roberval constituency (Mr. Tremblay) is enjoying himself. It is so funny!

Mr. Speaker, as proof of what I was just saying, let me show you what were the feelings of our hon. friends who are still in this house today with regard to the action taken by the St. Laurent government, which was the same action as is being taken today by the present government.

The hon. member, who is now the Solicitor General of Canada, the hon. member for Three Rivers (Mr. Balcer), speaking on this act, namely Chapter 29, 4-5 Elizabeth II of the statutes, made the following statement on July 16, 1956, as recorded on page 6032 of *Hansard*; he came out against that very act for which he will be voting today. Now, however, the government is of another colour and here is what he said:

—I feel that, while the federal proposals acknowledge for the first time that the provinces have a certain right to direct taxation, that acknowledgment is still utterly inadequate, for the federal government should not dry up the source of that taxation in order to pile up unjustified surpluses.

Mr. Balcer: Hear, hear!

Mr. Dupuis: As for the man who is now looking at me and says "hear, hear", instead of being ashamed as he should, he said that constitutional rights arising out of confederation were no more respected than before by that attitude of the government.

Mr. Balcer: The attitude of the Liberal government.

Mr. Dupuis: Well, Mr. Speaker, I do say that the Solicitor General, at the present time—

(Text):

Mr. Speaker: Order. I am afraid I cannot agree with the course the hon. member is following. The constitutional right is not involved in this bill at this time. No constitutional issue arises, as far as I can see, in the choice which the house has before it between a 10 per cent allowance and a 13 per cent allowance with respect to the federal income tax.

Mr. Pickersgill: With respect, Mr. Speaker, speaking on the point of order, may I say this. Surely if 10 per cent is unconstitutional changing it to 13 per cent would not make it constitutional, and that is the point which the hon. gentleman is arguing.

Mr. Speaker: That is precisely why I say the constitutional issue is not involved. Changing it from 10 per cent to 13 per cent does not change any constitutional aspect. It is a matter of mathematics. The debate is a very narrow one, and I ask the hon. members to recognize that fact and deal with it accordingly.

(Translation):

Mr. Dupuis: Mr. Speaker, I respectfully submit that, in July 1956, on the third reading of the bill, the debate had been much wider. I see, for instance, that certain members who are trying to prevent me from talking today, were much more... I respectfully submit, Mr. Speaker, that, on third reading of the bill, the hon. member for St. Pauls (Mr. Michener), had himself dealt with that bill, and I could read the quite general statements that he made and which gave the debate more latitude than the house is prepared to allow today.

(Text):

Mr. Speaker: Perhaps the hon. member to whom reference is made by the hon. member who has the floor was out of order at the time. I shall be glad to take note of the reference if the hon. member will give it to me again.

(Translation):

Mr. Dupuis: The following is from page 6420 of *Hansard* of 1956:

Mr. Roland Michener (St. Paul's): Mr. Speaker,—

(Text):

Mr. Speaker: Order. It is not necessary for the hon. member to read that. I have indicated my view about the scope of this debate. I know that debates often go beyond what the rules allow. The authority I have cited seems to me to be conclusive. I will make a note of the citation to which the hon. member refers and will have a look at it, but in the meantime I wish he would proceed with his speech and try to keep within the limits I have set.

(Translation):

Mr. Dupuis: Mr. Speaker, may I go on. I will definitely not talk about hockey, but I must absolutely talk about this bill. I understand that my Conservative friends from the province of Quebec would prefer that I do not talk about it.

Some hon. Members: No, no. We like it.

An hon. Member: But your constituents will not like it.

Mr. Dupuis: Mr. Speaker, if my hon. friends do so enjoy listening to me, may I have, with the unanimous consent of the house, all the necessary liberty to talk about the bill—if they are having such a good time. May I have the unanimous consent of the house?

Some hon. Members: No, no.

Mr. Dupuis: Mr. Speaker, I have asked—

(Text):

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

Some hon. Members: Question.

Mr. Speaker: Is the hon. member resuming his seat?

Mr. Dupuis: I ask that unanimous consent, Mr. Speaker, be given to afford me an opportunity of making my speech in order to answer the hon. member for Bellechasse (Mr. Dorion).

Some hon. Members: No.

Mr. Dupuis: My hon. friends from the province of Quebec told me they would be greatly interested in listening to what I have to say. Therefore with the unanimous consent of the house I should like to proceed.

Some hon. Members: No.

Mr. Speaker: I have no objection to asking the house, but from what I have heard already I think I know what the answer will be. Does the house wish to relax the rule in favour of the hon. member?

Some hon. Members: No.

(Translation):

Mr. Dupuis: Mr. Speaker, I realize that those who say they want to listen to me are not very sincere. Mr. Speaker, the house is considering today a section of 4-5 Elizabeth II, Chapter 29, whose effect will be to extend for a further year the rate of 13 per cent which is deductible from federal income tax in the provinces having an income tax of their own.

Mr. Speaker, in 1956 we had the same law which is now under review and I cannot but remind the hon. members who are now in favour of this law that they then voted against it on second and third readings. And remind them I must, in order to prove my assertion that while these hon. gentlemen found fault with this law when they were sitting on this side because it had been introduced by a Liberal government, they now favour this same law which the Conservative government now considers excellent.

Mr. Speaker, during the debate on the section increasing personal income tax deductions to 13 per cent, I remembered the other day that my hon. friends proclaimed throughout the province and throughout the country that this provision was unconstitutional and contrary to the principles of confederation. Today, Mr. Speaker, I must rise and tell the house that this act was constitutional in 1956, is still so today, and that if anything has changed, it is the stand of my hon. friends opposite who have abused the good faith of the public. When I think that in a moment the hon. member for Bellechasse (Mr. Dorion) will vote for this bill, I say that, if he had promised the people—

Mr. Pigeon: Mr. Speaker, I rise on a point of order. The hon. member should not be allowed to make a speech like this on third reading.

(Text):

Mr. Speaker: Is the hon. member rising on a point of order? Would he state his point?

(Translation):

Mr. Pigeon: Mr. Speaker, the hon. member would do well to keep to the discussion on third reading and not make a speech which might be appropriate on second reading.

Mr. Dupuis: I am not making a speech on second reading, Mr. Speaker.

Mr. Pigeon: I note, Mr. Speaker, that the arguments the hon. member is advancing are not relevant to the remarks just made by Your Honour. This makes me think of the mountain which gave birth to a mouse, i.e. a mouse of a speech.

Some hon. Members: That is not a point of order.

(Text):

Mr. Speaker: I have been following the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) in what he has just been saying and when the point of order was taken what he was saying was not irrelevant.

(Translation):

Mr. Dupuis: Mr. Speaker, I say that we Liberals were defeated precisely because we were accused of violating under this bill the rights which confederation granted to the

provinces. If those hon. gentlemen had acted differently in their ridings, if they had said during the last federal election that they were in favour of this bill, they would not have had the confidence of the people. Such is the situation.

As a matter of fact, I shall quote a statement directly connected with the subject we are studying today, a statement made by the hon. member for Bellechasse who was complaining that the legislation before us was violating provincial prerogatives and depriving the provinces of some of their powers. According to *L'Action Catholique* of March 29, 1958, page 2, the hon. member for Bellechasse said, at Honfleur:

> The revenge of the present Prime Minister of Canada, predicted Mr. Dorion, will be to give back to the province of Quebec her autonomy, which was wrested from her by the Liberal administration, and to return to that province all sources of taxation and all rights guaranteed to her under the constitution.

And that is precisely, Mr. Speaker—

(Text):

Mr. Speaker: I am afraid the hon. member is getting back to his original fault. He assured me that he was reading a quotation which related to the subject under discussion, but I am afraid it is not related and unless he can confine himself to the subject under debate I shall have to ask him to desist.

(Translation):

Mr. Dupuis: Mr. Speaker, I thank you for your good advice. Yet, the hon. member for Bellechasse did not think he was out of order in referring to Mr. Duplessis' act, introduced in 1953-54, which has no relation at all to this bill. I respectfully submit, Mr. Speaker, that you gave the hon. member for Bellechasse full latitude to refer to that point.

Mr. Fortin: Mr. Speaker, I believe you have sufficiently indicated to the hon. member for St. Jean-Iberville-Napierville that he is out of order—

Mr. Chevrier: Why are you rising on a point of order?

Mr. Fortin: —but he keeps coming back to it, and he is now indicting, in the house, the hon. member for Bellechasse. We want to hear him discuss the bill; and if he wants to limit his remarks to the bill, he should refrain from indulging in personalities, because in doing so he goes against the Speaker's ruling.

Mr. Dupuis: I must point out to my hon. friend that I am not addressing myself to the hon. members who claim that Quebec is a province like other provinces but to those who say that it is unlike other provinces. I fail to see why the hon. member should feel slighted. I cannot see how it can be said that I am taking a particular member to task, when I am criticizing, in a particular member, the attitude of a whole group which, in the last federal election, abused the good faith of the voters.

Mr. Speaker, in considering this bill, we should take care to respect provincial rights; however, those rights were just as much respected when the original bill was introduced under a Liberal government. Some rights are unchanged and unchangeable, undisputed and undisputable, unviolated and inviolable, uncontested and incontestable; the Liberal government has always respected those rights and today, the Conservative government is serving proof to the people that our legislation was good, because they are bringing it back unchanged before the public. Then, always referring to the section before us, I shall remind the hon. member for Bellechasse that he quoted certain words spoken by a well-known personality. As a matter of fact, with regard to that precise matter, that is what the Hon. Jean Lesage said on Sunday, March 16, 1958, at L'Islet:

Some hon. Members: Order!

Mr. Dupuis: Wait a moment, you are suffering and you shall suffer, just wait. This is what Mr. Lesage said:

> I say to you, whatever our opponents may promise, and whatever their criticism may be, the Conservative government will bring no basic change in the system of subsidies and equalization payments, if it is returned to power.

You can see today how right Mr. Lesage was at that time.

Mr. Speaker, since I am not allowed to answer the hon. member for Bellechasse as I would have liked to, I must limit my remarks. However, I am anxious to see those members rise, especially the ineffable Solicitor General (Mr. Balcer) who is looking at me with his artless grin; I am quite anxious to see the Solicitor General rise with his Conservative friends and vote today in favour of a Liberal legislation which he condemned in the past.

And here is my last word, which could always be of some use to my Conservative friends from the province of Quebec: "Autonomy, if you had not existed, we would have had to invent you to serve the purposes of these gentlemen."

An hon. Member: How pretty!

Mr. Johnson: Ask the hon. member for Levis (Mr. Bourget) who is making petty politics now.

(Text):

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

Division

Mr. Martin (Essex East): Mr. Speaker, I asked the Minister of Finance a question.

Mr. Speaker: Order. The hon. member for Essex East has already spoken.

Mr. Martin (Essex East): I asked the minister a question.

Mr. Speaker: I know.

Mr. Bell (Saint John-Albert): You are not in the labour committee now.

Mr. Speaker: Unless the minister wishes to reply I have no means of dealing with the matter. The hon. member for Essex East has already spoken. Is the house ready for the question?

Some hon. Members: Question.

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

YEAS

Messrs:

Aiken
Aitken, Miss
Allard
Allmark
Anderson
Argue
Balcer
Barrington
Baskin
Batten
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Benidickson
Boivin
Boulanger
Bourdages
Bourget
Brassard (Chicoutimi)
Brooks
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Cardiff
Cardin
Caron
Casselman, Mrs.
Chambers
Charlton
Chevrier
Chown
Clancy
Coates
Cooper
Courtemanche
Creaghan
Crestohl
Crouse
Danforth
Denis
Deschambault
Diefenbaker
Dorion
Drysdale
Dubois
Dumas
Dupuis
English
Eudes
Fairclough, Mrs.
Fairfield
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flynn
Forbes
Fortin
Fulton
Gillet
Godin
Grafftey
Granger
Green
Grenier
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hanbidge
Harkness
Hees
Henderson
Herridge
Hicks
Horner (The Battlefords)
Johnson
Jorgenson
Keays
Kennedy
Korchinski
Kucherepa
Lahaye
LaRue
Latour
Leduc
Legere
Lennard
Letourneau
Macdonald (Kings)
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macnaughton
Macquarrie
McCleave
McDonald (Hamilton South)
McGee
McGrath
McGregor
McIlraith
McIntosh
McLennan
McMillan
McPhillips
McWilliam
Maloney
Martel
Martin (Essex East)
Martineau
Matthews
Meunier
Michaud
Milligan
Mitchell
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Muir (Cape Breton North and Victoria)
Murphy
Nielsen
Noble
Nowlan
O'Hurley
O'Leary
Ormiston
Parizeau
Pascoe
Paul
Payne
Pearkes
Phillips
Pickersgill
Pigeon
Racine
Rapp
Ratelle
Regier
Regnier
Ricard
Richard (Kamouraska)
Richard (St. Maurice-Lafleche)
Roberge
Simpson
Slogan
Small
Smith (Calgary South)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Stanton
Starr
Stefanson
Stinson
Tassé
Taylor
Thompson
Tremblay
Villeneuve
White—166.

NAYS

Messrs:

Nil

Motion agreed to on division and bill read the third time and passed.

BRETTON WOODS AGREEMENTS ACT

AMENDMENT INCREASING AMOUNTS PAYABLE TO INTERNATIONAL FUND AND BANK

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-52, to amend the Bretton Woods Agreements Act.

Mr. W. H. McMillan (Welland): Mr. Speaker, we supported this measure at the resolution stage on May 20, and we still support it. I want to ask the minister two or three questions. I have noticed that over the last couple of years—

Mr. Fleming (Eglinton): May I suggest to the hon. member that if he has questions he should reserve them for the committee stage.

Mr. McMillan: These questions have to do with the bill itself, and it is pretty hard to assign them to a particular clause in the bill. Over the last couple of years I have noticed in the New York *Times* and other

papers certain criticism of Canada's contribution under the Bretton Woods agreement. I should like to refer to one article in the Montreal *Star* of May 1, 1958. I do not do so by way of criticism but because I wish the minister's comment on it. The article is headed "World Bank Load 'Unfair' to Canada." It reads in part as follows:

> Canada and the United States are beginning to feel they are carrying an unfair share of the load in the world bank and the international monetary fund.

It is claimed in the article that at that time there was no recession in Europe while there was in Canada and the United States, and the view is expressed that the European countries should carry a heavier load. There is reference to West Germany being most frequently criticized because she had benefited to the extent of accumulating $5 billion in gold and foreign exchange reserves. The article goes on to state:

> The present West German quota of contributions to both the bank and the monetary fund are regarded in New York and in Canadian financial circles as ridiculously small, especially in view of the fact that the number of countries enrolled in the two organizations has gone up by half since they were formed.

I understand that the West Germans resisted vigorously the proposal that they put up any more money. I have simply quoted from this article to get the minister's comment. Evidently there was some criticism in Canada, and I wondered whether it came from the government or where it originated. We are not offering it as a criticism, but we would like to have some comments from the minister on this. I should like also to ask the minister if he is aware whether or not individual Canadians buy bonds in the international bank, and if so, to what extent.

Mr. Erhart Regier (Burnaby-Coquitlam): When we last had this matter before us on May 20 I indicated that I might have something more to say at this stage about the international finance corporation. At that time I expressed some amazement at the fact we were a member of the international finance corporation when no resolution had ever been introduced into the House of Commons requesting that the House of Commons approve Canada's participation in the international finance corporation.

I have had a look at the records and I know the minister is aware of the fact that parliament never gave legislative authority for our association with this organization. However, as he intimated there was a vote passed in the year 1955. The only mention of the money involved, and of Canada's participation, occurred not in the house at all but in the estimates committee on July 5, 1955, under vote 789, "to authorize the purchase of 3,600 shares of stock of the international finance corporation, being Canada's subscription as a member thereof for the amount of $3,600,000, United States, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of May, 1955, $3,555,000".

An hon. member of the committee asked, "Is this a usual expenditure?" Then Mr. Harris replied:

> It is the first time it has appeared. The bank is not yet in existence but is expected to be by agreement of the various countries during the course of the fiscal year and we will buy our share of the stock in it.

This is a very odd way in which Canada became a member of an international organization. The minister of finance of the day announced, not to the House of Commons but to an estimates committee, that this was an unusual outlay of money, and he announced that Canada was going to become a member. Our group has reservations about our membership in this organization, because this is not a world-wide organization established to assist the peoples of other nations with the approval of the regimes or the governments of those nations. This is a means whereby an international agency is established which has the right to invest and make money in private enterprises in various areas of the world.

The organization has undertaken so far to help the Siemens company of western Germany to establish an electrical manufacturing plant in Brazil. It has assisted a branch of the Kaiser corporation to establish an automobile plant in Brazil. It has assisted numerous other large industrial organizations or concerns to invest in some of the underdeveloped areas of the world. The corporation is a money making organization. For example, the term of the loan to the Siemens company reads "... 6 per cent interest and option on shares". I notice that in all cases except one the organization has taken for itself options on shares.

I assume from reading the report of the minister that the corporation then markets these options. It has made no little amount of money. In the year ending June 30, 1958 it had a net income of $2,358,276. The net income the year before was $1,675,382. I can see a danger in this organization. I know the minister has made the claim that this is an affiliate of the international bank. However, I do not find that it is really an affiliate at all. It may be operating in close consultation with the international bank. However, the purposes of this organization are altogether different from the purposes of the international bank. The international bank is designed to assist in the development of

the underdeveloped areas of the world, with the approval of the governments concerned and also with the approval of the governments whose money is being used. In this case neither the approval of the people whose money is being used has been sought or obtained, nor the approval of the government of the country in which this corporation intends to invest its money.

I feel that the taxpayers of Canada have been misled, because when there was a revote of this money on August 14, 1956, no one asked anything about it; no one made any explanation at that time; nor did they do so the year before when the initial money was voted. You will remember, Mr. Speaker, that August 14, 1956 was near the end of a lengthy, eight month session, so there was no debate on the item. I hope that some day the government is going to bring this matter before parliament in the form of a resolution or legislation, so that we may have a debate on whether or not it is expedient that Canada become a member of the international finance corporation and participate in its activities.

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to say a few words on this subject. I quite realize that there was a worth-while and comprehensive debate on this legislation at the resolution stage. At that time I believe a question was raised, however, and I hope the minister will say something about it, either before we pass second reading or in committee. I refer to the announcement of President Eisenhower in August when he indicated, as did our own Prime Minister, that it seemed to be of advantage to increase the liquidity of the two funds to which we have been giving attention in this debate.

But there was a No. 3 item which some of us thought might get discussion at New Delhi at the annual meeting, namely President Eisenhower's idea about the international development bank. So that we may have it on the record, President Eisenhower indicated that he would like to see the international monetary fund contributions increased by 50 per cent. He indicated before the assembly in New Delhi that he would also like to see the capital of the world bank doubled; but he added that he felt there should be the establishment—and that is the word I read in the New York *Times*—of an international development bank as an affiliate of the world bank. I wonder if the minister, who attended this conference on behalf of Canada, would indicate to the house, or later to the committee, just what the difference is between President Eisenhower's conception of a new affiliate of the world bank and the one which I confess the minister did describe in the debate on May 20 known as another affiliate of the world bank, namely the international finance corporation. I hope the minister will comment on that.

In addition, I wonder if the minister at some stage before we complete approval of this legislation would indicate whether or not, having surveyed the scene, he concludes that the new resources of the world bank will come chiefly from new national contributions, or will they come, in the case of other countries, mostly from borrowings in the United States by the members of the world bank?

In addition to that, the last figures which I saw indicated that the world bank on concluding their last public report of June 30, 1958 indicated that in the current year they had loaned $711 million, which was stated to be three-quarters as much again as the average of the three preceding years. Perhaps there is a new figure available to the house with respect to world bank activities since this last figure which is available to me as of June 30, 1958.

Another question which I should like to ask the minister, about which I am not clear —I probably have not completed adequate research—is this. Has the United States congress yet done down there what is being asked of us here? Another question I would like to ask is, am I right in thinking that in dollars and cents the result not only of the increase in contributions of 50 per cent in the case of the international monetary fund and 100 per cent in the case of the world bank, but also by virtue of the extra percentage of over-all assessment which Canada has agreed to bear in the case of each one of these organizations, amounts to $100 million? That is to say, if the straight 50 per cent were used in the case of the international monetary fund and the 100 per cent increase were used in the case of the world bank, am I right in thinking that the effect would be, without the new percentage assessment that was agreed to by the minister, that we would be asked for $200 million less than is contemplated in the legislation before us?

Hon. J. M. Macdonnell (Minister without Portfolio): Mr. Speaker, before the minister makes his closing speech, I would just like to make one comment with regard to the speech to which we have just listened. Until I heard the hon. member's speech I had thought that this institution and its aims were acclaimed by every right minded citizen of the world as an attempt whereby those who were in a position to do so assisted others not in a position to take care of themselves. I thought it was an attempt to help people

help themselves, but apparently there seems to be something sinister about it. Apparently because this institution has helped some private institutions to get on their feet we must regard it with suspicion and seek some dark and unworthy motive. I would like to ask the hon. member whether the employment provided and the production produced by these companies, private as they are, which are now helped by the institution which we are further to hear about, is a benefit or a curse? It seems to me really that sometimes those of us who spend a great deal of our time in doctrinaire considerations get away from practical considerations.

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think I can be very brief. It seems to me that the points raised by hon. members of the opposition in their remarks could better have been made in committee, because in almost every case they led to questions being asked. However, the questions have been asked and perhaps I can deal briefly with them.

Mr. Benidickson: Our latitude is a little wider on second reading, as the minister will realize.

Mr. Fleming (Eglinton): I thought that as we had agreed on the principle of the bill the latitude afforded in committee for questions and answers is much greater than on second reading.

Mr. Benidickson: That has not been the ruling in this parliament, particularly when the minister was piloting through legislation.

Mr. Fleming (Eglinton): Mr. Speaker, the hon. member is again mistaken. He has been here long enough, I think, to know the rules of the house and how they ought to be observed.

Let me begin with the first point which was raised. The subscriptions of these countries are carefully considered on the basis of various economic factors, and I catalogued a number of these in the discussion on the resolution stage on May 20. The government is satisfied that the Canadian subscription in each case is eminently fair. It takes account of the position of Canada in the world, particularly in world commerce and trade; and it is always to be borne in mind that the reason why many countries are seeking to increase their subscriptions to the bank and the fund is that it puts them in a better position to receive aid from these institutions if required.

The hon. member for Kenora-Rainy River (Mr. Benidickson) asked about the extent of the Canadian subscriptions. Canada's subscription in the past to the international monetary fund has been $300 million. Had the Canadian subscription been increased simply by 50 per cent, which is the general increase, her subscription would have become $450 million. We are asking the house to approve a subscription of $550 million, which means $100 million in excess of the 50 per cent increase.

In the case of the subscription to the international bank for reconstruction and development, Canada's subscription hitherto has been $325 million. The general percentage of increase as applied to all subscribing countries was 100 per cent. Canada's increase of 100 per cent would have brought her subscription to $650 million. She is actually taking a subscription, if the house approves, of $750 million, which is therefore an increase of $100 million over and above the general rate of increase.

I was also asked, Mr. Speaker, concerning the marketing of bond issues of the international bank. There have been three issues of bonds of the international bank which have been marketed in Canada. One has been paid off and two are outstanding in the aggregate amount of $40 million. I am told that these have been bought mainly by Canadians, and in addition Canadians have also bought some of the issues of the international bank which have been floated in the United States in United States dollars.

I was also asked about the new resources—

Mr. Martin (Essex East): Does the minister know what the market value of the bonds are at the moment, roughly?

Mr. Fleming (Eglinton): No, but I can give figures as to the way in which the general rise in interest rates on this continent has affected the rates of the world bank.

Mr. Speaker, I was asked about the new resources of the international bank. It is quite clear that with these increased subscriptions the bank's resources are going to be increased and its ability to market its securities in new borrowings will be considerably improved. In speaking at the resolution stage on May 20 I indicated the fact that the bank's resources—indeed the resources of both the bank and the fund—have been taxed in recent times by the heavy demands upon them and that these increases in the resources of both institutions are necessary if these institutions are to carry on their beneficent work.

Mr. Benidickson: Will the minister permit a question?

Mr. Fleming (Eglinton): Mr. Speaker, we are on second reading. I think probably these questions can better be left until the committee stage, if that procedure meets with my hon. friend's convenience.

I was somewhat surprised at the attack made by the hon. member for Burnaby-Coquitlam (Mr. Regier) on Canada's membership in the international finance corporation and the extraordinarily flimsy grounds upon which the hon. member based his contention that somehow or other Canada has not legally or properly subscribed to the capital of this particular international institution. Mr. Speaker, I must again refer the hon. member to what I said as reported at page 3855 of *Hansard* in the discussion of this matter on May 20.

There is no question about the legality of the proceedings taken by the Canadian parliament at that time. The former government that was in office at that time, if it had so chosen, could have asked parliament to approve a resolution in this respect. It could have done so. It did not do so. The fact that it did not do so does not render Canada's association with the international finance corporation illegal in the light of the action that parliament took. An appropriation bill passed by parliament is just as much a legislative enactment of this parliament as is any other measure that is passed by this parliament. In this case the government of the day, instead of introducing a formal resolution or a formal bill relating to Canada's joining the international finance corporation, chose to ask parliament to approve a subscription for 3,600 shares of the capital stock of the international finance corporation. It did so in the estimates and, I must say, it did so not on one occasion but on two occasions. If the hon. member thinks now that this matter went through parliament without adequate discussion, then I must recall to his mind the responsibility that he shares in that respect along with others, because he was one of those who decided on those two occasions to forego the opportunity to raise the matter for discussion.

Mr. Benidickson: Except that there was not actually a second vote of money, was there? One vote lapsed.

Mr. Fleming (Eglinton): The matter was before the house twice and it was voted upon.

Mr. Benidickson: That is right. There is no quarrel there.

Mr. Fleming (Eglinton): The first vote lapsed. That was the reason for the second one. I refer the hon. member to what I said at the resolution stage as reported at page 3855 of *Hansard* of May 20:

> Accordingly an item was inserted in the estimates for the fiscal year 1955-56. This item, No. 789, was discussed in the estimates committee on July 5, 1955.

It was on that occasion that an hon. gentleman who was or had been a member of the same party as that of the hon. member for Burnaby-Coquitlam, namely Mr. Thatcher, questioned this item and was given certain information. Because sufficient signatures to bring the corporation into existence were not obtained in that fiscal year that vote lapsed and the government of that day accordingly inserted in the supplementary estimates for the year 1956-57 another item, namely item 731.

Mr. Benidickson: A repeat.

Mr. Fleming (Eglinton): That item is quite clear in its provisions. It reads as follows:

> 731. To authorize the purchase of 3,600 shares of stock of the international finance corporation being Canada's subscription as a member thereof for the amount of $3,600,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of May, 1956 (Revote).

It is shown as a revote. That item was passed in this house on August 14, 1956. While the hon. member may say that that was late in the session and that the item was not discussed then as it might have been, the fact is that it became law. The hon. member had his right to discuss it and to question it if he was not satisfied with it. It became law and it is in the appropriation bill for that session. Hence there can be no question at all about the legality as well as the propriety of Canada's adherence to the international finance corporation. Canada has acquired the 3,600 shares for a payment in United States dollars of $3,600,000. Canada has taken her part in the affairs of the institution.

I think the hon. member for Burnaby-Coquitlam again has misconceived the nature of the functions of the international finance corporation. He apparently views it with horror, distaste, and disapprobation because it seems to be encouraging and assisting private enterprise. That seems to be the whole burden of the hostile attitude which he demonstrated toward the international finance corporation in the course of these discussions. In amplification of the record, Mr. Speaker, I must say that the hon. member chose to refer only to cases in which the international finance corporation has made investments jointly with large corporations. The international finance corporation has in fact made a couple of such loans where the investment looked to be useful from the

point of view of economic development and the corporation was satisfied that the investment would not have been made unless the international finance corporation shared in it. I may say that the international finance corporation has also made a number of quite small loans. One it made recently was as small as $140,000.

I think it is quite clear that while the international finance corporation has not yet played a leading role in the unfolding record of assistance through these international organizations, nevertheless there may yet be a useful role for this corporation to play. It, of course, does not compare in size or importance with the international bank for reconstruction and development with which it is affiliated. It does not compare in size and importance with the international monetary fund. But there certainly was, in the view of the countries which are members of the international bank, a place in this mechanism of international finance organizations for such an organization as the international finance corporation and for such a function as it is qualified to perform. Otherwise they would not have entered into it. Fifty-seven countries are now members of the international finance corporation. I think that is as effective testimony as one needs to call in order to establish the useful role that this corporation may be called upon to play.

Mr. Speaker, on May 20 I expressed the same view with regard to the legality of Canada's subscription to the capital stock of the international finance corporation, and stated that my predecessor had been assured by the Department of Justice that the procedure which he was following was sound legally.

I was asked a question just now about the rate on the bonds of the international bank. I may say that the interest basis on which the bank operates in fixing the rate of interest on loans is to charge a rate which is composed of the approximate cost of the money obtained by the sale of its own debentures plus a statutory commission of 1 per cent plus an amount of approximately one-quarter of one per cent to cover overhead. The bank's loan interest rate is now 6 per cent. In July, 1957 it was 5⅝ per cent and by October of that year it had risen to 6 per cent. It was reduced to 5¾ per cent in December of 1957. In May 1958 it was 5⅜ per cent. As I have indicated it has risen since that time in keeping with the rise in interest rates on this continent. These changes reflect conditions on the world capital market especially on the New York market where the international bank does most of its borrowing.

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

On clause 1—*Payment of subscriptions out of C.R. fund.*

Mr. Benidickson: Mr. Chairman, would the minister care to answer a few of the questions I raised?

Mr. Fleming (Eglinton): Yes, Mr. Chairman. The hon. gentleman asked me about the loans of the international bank in 1958-59 to date. The loans in 1958-59 to April 21 amounted to $559,475,000.

Mr. Benidickson: Have you any yardstick such as I used quoting from a report of the bank that the loans as of June 30, 1958 were three-quarters beyond what had been loaned in the last three years taking the average?

Mr. Fleming (Eglinton): Certainly the volume has been steadily rising in recent years. The demands on the bank have been higher than ever before and it was out of that situation that emerged the proposals for the increase in the subscription.

Mr. Benidickson: I also raised the question about the Eisenhower plan which was couched in the words "development plan". I have in front of me a clipping from the London *Times*. I take it that one of the senior delegates from the United States did refer to this at New Delhi. This purports to be a dispatch from New Delhi to the London *Times* while the annual conference was taking place and the date is October 9. It confirms the remarks I made when we were discussing this matter on second reading. It refers to a new effort on the part of the United States government to promote economic development.

I suggested that I had read another dispatch in the New York *Times* to the effect that President Eisenhower had a three-fold outline of suggestions to the United States delegation for the New Delhi conference. I do not have this dispatch before me but my notes indicate that the suggestions included an increase in the I.M.F. fund, an increase in the world bank fund and the establishment —that is the word as it appears in my notes —of a proposed international development bank as an affiliate of the world bank. The dispatch was dated August 27.

The Minister of Finance will recall that the Leader of the Opposition on May 27 made reference to this as reported at page 3855 of *Hansard*. I just wondered if the minister could recall the distinction between what might be involved in this proposal which was given a great deal of publicity

across the world and the very full explanation of the work of the international finance corporation which I willingly admit the minister gave to the house on May 20. What is the distinction between those two possible affiliates of the world bank?

Mr. Fleming (Eglinton): Mr. Chairman, may I first turn to a question the hon. member asked me earlier about ratification by the United States congress. I am informed that congress completed ratification yesterday.

Mr. Benidickson: Along the terms of the schedule outlined by the minister?

Mr. Fleming (Eglinton): Yes, quite, that is to say, the United States subscriptions as set forth in the table I put on *Hansard* on May 20.

The hon. gentleman now asks me about an organization which he refers to as the international development bank. The name that this proposal bears is the international development association. I was asked a question about this a fortnight ago by the Leader of the Opposition. He referred to it in the discussion at the resolution stage of the present measure on May 20.

The international development association, I wish first of all to make clear, has nothing to do with the international finance corporation. The suggestion emanated from Washington and discussion on it was current in Washington about a year ago. It was known at that time as the Monroney plan. The father of it was Senator Monroney. The gist of this plan was that a new organization might be set up to provide loans in hard currency available to countries in need of loans in hard currency which would be repayable by them in soft currency. They would be permitted to repay in their own currencies.

The discussion at Washington in the spring and early summer of 1958 had proceeded to a point where it was thought that it might be the intention of the United States delegation to the meeting of the governors of the international bank and the international monetary fund at New Delhi in October to bring the matter forward as a proposal there. However, that was not done. The matter has been rather dormant in the interval. There have been indications in the press of late that the subject is to be revived. When I was asked about this on May 20 by the Leader of the Opposition I indicated that the Canadian government has not had occasion to express an opinion or take a position on the matter as yet because it has not received any proposal in sufficiently concrete terms to enable it to do so.

Mr. Benidickson: I am quoting again from my notes. The minister will recall that President Eisenhower introduced this concept of an international development bank and described it as a possible affiliate of the world bank. The minister will also recall that a somewhat similar suggestion concerning a commonwealth bank was advanced by Prime Minister Macmillan. Both President Eisenhower and Prime Minister Macmillan visited Canada during 1958 and I am sure both of these concepts were advanced to the government. There was a discussion with Prime Minister Macmillan about his idea of a commonwealth bank. Was there any discussion of this at New Delhi?

Mr. Fleming (Eglinton): No, Mr. Chairman.

Mr. Benidickson: I raised a supplementary question on second reading which the minister quite properly did not want to answer at that point. I raised it because I felt he was not answering my main question fully. My question was this. The minister has explained to us that Canada's contribution will be made out of the exchange fund. We have United States currency and assets out of which we can make our contribution under the obligations of the statute in front of us.

My question was whether the minister, as a result of his attendance at this world meeting and as a result of additional information that comes to him steadily, could inform us whether it was his opinion that the additional contributions from other members of these two international finance organizations would come from reserves that they have, such as we have, in United States funds, or whether they would really in fact come from additional borrowings that these members would have to make in the United States?

Mr. Fleming (Eglinton): I am told, it is expected that the countries which are raising their subscriptions will be able to do so out of their own exchange reserves.

Mr. Benidickson: Mr. Chairman, it is some time since I have been intimately connected with some of the activities of these two organizations. Can the minister inform the committee as to whether or not any loans have been made by the bank to Canadian corporations or persons? Certainly, I am quite sure the answer will be no in the case of Canada. Canada has not had any exchange difficulties which would warrant any appeal to the international monetary fund. We have had no difficulties since 1947, and we did not borrow at that time.

Mr. Fleming (Eglinton): There have been no loans to Canada from the international bank.

Mr. Benidickson: Similarly, would that be so with respect to the international finance

corporation, even though the minister indicated some of their lendings have been in relatively small amounts. There have been none to Canadian persons or corporations?

Mr. Fleming (Eglinton): None in that case at all, Mr. Chairman.

Mr. McMillan: I wish to ask one question. I understand that Canada's security holdings in the bank were 3.3 per cent. Do these amendments change that percentage materially in the bank or in the fund?

Mr. Fleming (Eglinton): Not materially.

Mr. Benidickson: Following up the question of the hon. member for Welland, I had asked just what the dollar value was of the increase in the percentage, which the minister confirmed was $100 million in each case. Can we have for the record just the change in the percentage of national contributions before New Delhi, as of now, as a result of the agreement made at New Delhi?

Mr. Fleming (Eglinton): That can be worked out. I will be glad to send that to my hon. friend.

Mr. Benidickson: I do not think it is in the book.

Mr. Fleming (Eglinton): No. It will depend, of course, on the ratifications. And, of course, account must be taken as well of the fact that changes in membership are going on all the time. There are new additions to the membership.

Mr. Benidickson: The minister indicated—and I think he was devoting his attention at that point clearly to the international finance corporation—that it was supported by agreements to subscribe to stock by 57 members of the world bank.

Mr. Fleming (Eglinton): The international finance corporation.

Mr. Benidickson: What is the actual number of countries which subscribe to the world bank as against the 57 which belong to the international finance corporation?

Mr. Fleming: Sixty-eight.

Mr. Regier: Mr. Chairman, is it not correct that the world bank also makes loans available for private investment in the many under-developed areas of the world?

Mr. Fleming (Eglinton): Yes, sir.

Mr. Regier: Is this not the only essential difference between the world bank and the international finance corporation? The world bank makes these loans available at as near cost as possible, with the approval of the nation or of the government of the country that is lending the money and also with the approval of the government of the nation in which the investment is made; whereas, on the other hand, loans made by the international finance corporation are not made at cost. One of the aims of that organization is to make money and the loans need not have the approval of the government whose money in the main is being used, and does not need the approval of the government or the nation in which the investment is being made.

Mr. Fleming (Eglinton): I do not think I can do better, in stating the purposes and functions of these two institutions and comparing them than to draw attention to what I said about them at the committee stage in the statement I made on May 20, at pages 3852 and 3855 of *Hansard*. Hon. members will find this in the second column on page 3852. I pointed out:

> The international bank has, by direct loans and by arranging for investment from other public and private sources, contributed to the long-term economic growth of many countries, particularly those in greatest need of development capital. It has also provided a pool of competent technical personnel to assist countries in working out sound development programs.

As to the international finance corporation, I said at page 3855 of *Hansard*, in the second paragraph:

> The international finance corporation is an affiliate of the international bank for reconstruction and development with membership open only to governments which are members of the bank. Its objective is to further economic development by encouraging the growth of productive private enterprise in its member countries, particularly in the less developed areas.

Then I pointed out the means available to the international finance corporation for pursuing that purpose. There are three of them:

> (1) Investing in productive private enterprises, in association with private investors and without government guarantee of repayment, in cases where sufficient private capital is not available on reasonable terms.
>
> (2) Serving as a clearing house to bring together investment opportunities, private capital—both foreign and domestic—and experienced management; and
>
> (3) Helping to stimulate the productive investment of private capital both domestic and foreign.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time, by leave now?

Some hon. Members: Agreed.

Mr. Fleming (Eglinton) moved the third reading of the bill.

Motion agreed to, bill read the third time and passed.

Judges Act

JUDGES ACT

AMENDMENT TO PROVIDE SALARIES FOR ADDITIONAL JUDGES

Hon. E. D. Fulton (Minister of Justice) moved that the house go into committee to consider the following resolution:

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

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

Mr. Fulton: Mr. Chairman, the resolution is short and self-explanatory. Its purpose is to authorize the introduction of a bill to provide salaries for three additional judges of the superior court of Quebec, two additional judges of the trial division of the high court of Alberta and two additional judges of the supreme court of British Columbia. These additions have in every case been requested by and the necessary authority has been provided under appropriate provincial legislation. What is now necessary is for this parliament to amend the Judges Act to provide the salaries which will make it possible for us to make the appointments.

(Translation):

Mr. Meunier: The Minister of Justice (Mr. Fulton) is introducing a bill providing for the salary of a greater number of judges for the superior court of the province of Quebec, the supreme court of British Columbia, and the supreme court of Alberta.

I may say that, in a general way, we are in favour of that proposed legislation since, as the minister explained, those new judges for each of those provinces, have been requested by each province concerned, which are responsible for the administration of justice.

There is no doubt that with the increase in population in Canada, the number of people amenable to courts increases, and that, sometimes, too long delays in the solution of cases become a denial of justice.

The province of Quebec is requesting the appointment of three judges to the superior court for the combined districts of Abitibi, Rouyn-Noranda and Timiskaming, of Chicoutimi and Rimouski, the appointed judges to reside in those respective districts. Those three judicial districts are under the Quebec territorial division and are quite a distance from it. There is no doubt that a judge residing in each of those districts will improve the situation of the people concerned and will be of service to the population in general.

[Mr. Fleming (Eglinton).]

Those appointments, which have been recommended and requested for many years by the bar association of each of those districts, were long overdue. It has never been known why those requests have been postponed until today by the Quebec governmental authorities, because autonomy is in no way concerned in that matter. The future will probably tell.

In conclusion, I hope the minister will appoint to those positions of judges men of integrity, learning and legal knowledge, who will be able to fulfil efficiently their role for the welfare of the people under their jurisdiction and of the population in general.

(Text):

Mr. Broome: I should like to say a few words on this resolution. There have been several articles in Vancouver newspapers pointing out that the supreme court of British Columbia is roughly nine months behind in its work. If the ordinary citizen has to make use of such facilities it is certainly not justice that he should have to wait that long before his case is brought to trial.

I want to mention one other point and I suppose it is only on the resolution stage that I can do so. I refer to the fact that there is no age limit with respect to judges except those of the Supreme Court of Canada and in my view this may tend to be reflected in lower productivity as judges increase in age. I know that it is a question of the constitution but I think that something should be done so that the same age limit that applies to judges of the Supreme Court of Canada will be applied to judges in the various provincial supreme courts and courts of appeal. I can see that we will have to continue adding judges all the time if we happen to come to the point where the average age of our judges approaches 80 years. This is not to say that a judge who is over 75 may not be fully competent to take care of the work he has to do. If judges are to continue beyond 75 then it should be done by way of extension but preferably retirement at 75 should be made compulsory.

Mr. Martin (Essex East): I want to take advantage of this resolution to ask the minister if he can explain the fact that notwithstanding that legislation was introduced last session providing for six new county court judges in Ontario five were appointed and one appointment which was made available for my own county of Essex was not proceeded with. I am not blaming the minister for that situation—

Mr. Fulton: Mr. Chairman—

Mr. Martin (Essex East): —but perhaps the minister can explain—

Mr. Fulton: Mr. Chairman—

Mr. Martin (Essex East): —why the appointment has not been made—

Mr. Fulton: Mr. Chairman—

Mr. Martin (Essex East): —when legislative authority was given for that purpose. I would be very grateful to the minister if on this measure he would explain that fact.

The Chairman: Shall the resolution carry?

Mr. Martin (Essex East): I have asked the minister a question. He may want to get the resolution through quickly.

Mr. Fulton: I doubt very much if the question asked by the hon. member for Essex East is in order. It has nothing to do with the resolution to amend the Judges Act to provide seven more judges of the various superior courts. However, in order to avoid a controversy as to the rules, the short answer is that the amendments to the judicature act of Ontario introduced last year did not provide specifically for a vacancy for the district to which my hon. friend refers. It is true that in discussions I had with the attorney-general there was some reference to the district as being one that might require some attention but my understanding is that the situation there has improved recently. Five judges have been appointed and I expect to be making the appointment of a sixth judge shortly.

The attorney-general of Ontario is anxious to proceed with some reforms of the county court of Ontario which involve an enlargement, as it were, of the areas to which district court judges could be sent and it is my intention, in compliance with the request of the attorney-general of Ontario, to appoint one extra judge, the sixth for whom a vacancy was provided, on that basis.

Mr. Martin (Essex East): That is to say, my hon. friend is saying that if the attorney-general takes every step that he must take in order to make that appointment effective there will be the fullest co-operation from my hon. friend in the appointment of an extra judge in the county of Essex, making three judges there. Is that the effect of my hon. friend's answer?

Mr. Fulton: I do not think so, Mr. Chairman. As I tried to explain, the legislation passed by Ontario last year did not provide for the specific designation of six extra vacancies to six specific counties. It is true that the five so far appointed have been designated to specific counties but the attorney-general of Ontario is anxious to proceed on a somewhat different basis for the purpose of testing out a reform he has in mind. I intend to appoint the sixth judge but there is no assurance that he will be appointed with any specific designation to the county of Essex or the district in which Windsor lies.

Mr. Martin (Essex East): Does my hon. friend not think that he owes an explanation for bringing forward this legislation making possible the appointment of an additional judge to the county of Essex? When this matter was raised a year ago my hon. friend told me that the responsibility for not having proceeded with the appointment lay with the attorney-general and that the reason given was that the latter had in mind the desirability of rotating judges and he thought that kind of arrangement might be made in the county of Essex. Now my hon. friend comes forward and tells us that the Ontario government has taken legislative action which precludes the possibility of a third judge there.

Mr. Fulton: I never said any such thing. I do not know whether my hon. friend is deliberately desiring to misunderstand what I said but I said absolutely no such thing as the hon. member now suggests.

Mr. Martin (Essex East): Well, explain the thing.

Mr. Fulton: I do not think my hon. friend wishes to listen to an explanation. I have explained it twice. At no time did I say that the responsibility rested exclusively in the attorney general of Ontario. What I said was that the legislation introduced in Ontario last year provided for the appointment of six extra judges, but it did not specifically create vacancies in the districts of Ontario to which those judges were to be appointed. As a result of a discussion with the attorney general of Ontario it was agreed that five of the judges should be appointed and assigned to specific districts, specific county courts, but with regard to the sixth appointment it was the desire of the attorney general of Ontario, as I said, to test out a new approach to the structure of the district courts of Ontario.

It is, therefore, the intention to appoint a sixth judge without assignment to a specific district. This sixth judge will then be available to serve in any district where a backlog of cases exists or the absence of a judge or any other feature makes it desirable for him to proceed to hold court.

Mr. Martin (Essex East): It is quite clear that I did not misunderstand the situation at all. Since my hon. friend used the word "deliberately" one could have readily objected

to that but I thought, in the interest of the passage of this item, I would not. It is quite clear now that the situation is.

Last year my hon. friend took authority to appoint six judges, one of them to be appointed in the county of Essex.

Mr. Fulton: Mr. Chairman, on a question of privilege: I have attempted to explain three times that authority was not taken on that basis. I never said authority was taken on that basis.

Mr. Martin (Essex East): I ask my hon. friend to look at the words he used in the house, and I am not going to change what I said.

Mr. Fulton: If my hon. friend will give me the reference in *Hansard*—

Mr. Martin (Essex East): I have not go it readily at hand.

Mr. Fulton: My hon. friend is stating what is not correct.

Mr. Martin (Essex East): I am stating that is the situation as outlined by the Minister of Justice, and which he obviously fails to recall perhaps deliberately or perhaps because he has just forgotten. The fact is that is the situation which the minister outlined. He also told me, in answer to a question, that if there was no action taken that was the responsibility of the attorney general of Ontario.

Now it is quite clear what the situation is. The attorney general does not intend that there shall be a third judge in the county of Essex. In view of the public statement made that there should be a third judge, we are now told by the Minister of Justice that it is not his intention or it is not the intention of the attorney general to appoint a third judge in the county of Essex. Now, that is the situation. If the Minister of Justice had come to parliament last year and had not taken the authority we would not have been in the situation that now confronts us and there would not have been, on the part of certain very worthy individuals in my county, the embarrassment that has flown from this action—and they are not supporters of this government either. As a result—

Mr. Stinson: Mr. Chairman—

Mr. Martin (Essex East): —there has arisen all this confusion and bungling on the part of the attorney general of Ontario and this Minister of Justice.

Mr. Fulton: My hon. friend will say, if I attempt to answer him as he should be answered, that I am now provoking bad feeling and holding up this legislation, but I cannot allow this to go unanswered. The hon. gentleman has done an entirely unwarranted thing. Without having had the courtesy to give the committee the *Hansard* reference he has misstated what I said last year. I challenge him to find anywhere in *Hansard* what he says I said, and until the hon. gentleman does so he must proceed under a cloud in this committee, having misstated what was said and having been challenged to prove it and then being unable to find it.

In any event, his question is out of order, and I say flatly that he has misstated what was said last year when the amendment to the Judges Act was introduced and the result of the amendments introduced in Ontario. I state that as a fact. I am not prepared to pursue the matter further because the whole discussion has been out of order. What we are now seeking to do is have an amendment to provide for the salaries of additional judges in the superior courts, and the county courts in Ontario are in no way affected.

(Translation):

Mr. Roberge: Mr. Chairman, could the minister indicate on what date the provinces involved in this proposal have advised the federal government that their legislation with respect to the appointment of additional judges was in force?

(Text):

Mr. Fulton: The notification from Alberta was received by letter from the attorney general of Alberta, dated April 1, informing me that the act of the Alberta legislature was passed and assented to on March 31, 1959. The notification from Quebec was not received, if I may say so, directly, but we received information that the legislation had been passed. I wrote to the attorney general of Quebec and received a letter in reply dated March 16 confirming that the provincial legislation provided for three additional judges to the superior court, and that it had been adopted unanimously by the legislature.

I was informed by the attorney general of British Columbia—rather I have here a letter from the deputy attorney general of British Columbia addressed to the deputy attorney general, dated April 11, which advised that the provincial legislation amending the supreme court act of the province to increase the number of judges by two was approved at the session of the legislature held in the spring and was assented to on March 20, 1959.

The Chairman: Order, it being five o'clock, we must proceed to private bills.

Mr. Chevrier: Before you call it five o'clock, Mr. Chairman, may I say that, in order to assist the business of the house we on this

side of the house would be prepared to waive our right to deal with private and public business that is generally dealt with between five and six o'clock.

Mr. Green: I am very grateful to the hon. member for Laurier for making that suggestion. I understand that the hon. member for Assiniboia has also agreed to this course.

The Chairman: I must remind the house that when such a proposition is made it must be made while Mr. Speaker is in the chair.

Progress reported.

PRIVATE BILLS

Mr. Speaker: It being five o'clock, the house will now proceed to consideration of private and public bills, the former having precedence pursuant to section 3 of standing order 15. Is it the will of the house to waive the provisions of the standing order this day and revert to the business which was interrupted?

Some hon. Members: Agreed.

JUDGES ACT

AMENDMENT TO PROVIDE SALARIES FOR ADDITIONAL JUDGES

The house resumed consideration in committee of the following resolution—Mr. Fulton—Mr. Sevigny in the chair:

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

Mr. McPhillips: I should like to say a few words in connection with this resolution. So far as my province of British Columbia is concerned, I am in agreement with the fact that we need two further superior court judges. There is no question about that. However, there is something in connection with the administration of the supreme court of British Columbia which is, from time to time, causing a lot of trouble. The people of British Columbia, by legislative enactment, provided that superior court judges should be resident in certain parts of the province. This act provides that there should be a resident judge in the interior of the province and certain resident judges on Vancouver island and in the cities of New Westminster and Vancouver.

Under the administration of the previous chief justice and the present chief justice of the supreme court, there has been a tendency —I would say more than a tendency—to require all the superior court judges to reside in our large commercial city of Vancouver and from there to fan out like the spokes of a wheel all over the province. I appreciate, Mr. Chairman, that the government of Canada has nothing to do with this in the sense of legislation; but the law is there, and I do suggest that should the province of British Columbia come along and ask the Canadian government to provide salaries for two more judges which are needed, the government of Canada could very well say, "We think you are right and do need two more judges, but we will not pay the salaries for two more judges unless you follow the law as it exists in your own province of British Columbia with regard to the residence of these judges".

Resolution reported and concurred in.

Mr. Fulton thereupon moved for leave to introduce Bill No. C-56, to amend the Judges Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time? By leave, now.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, before the bill is read a second time, I should like to put a question to the minister which I meant to put in committee but I was called out for a moment, and it is this. Is there any provision in the existing law for the payment of the salary of a fourth judge in the supreme court of Newfoundland? If not, could provision not be made for that purpose in the existing legislation, in view of the professed interest of the Prime Minister (Mr. Diefenbaker) and the minister in having such an appointment made?

Hon. E. D. Fulton (Minister of Justice) moved the second reading of Bill No. C-56, to amend the Judges Act.

He said: Mr. Speaker, I think that having moved this measure I have spoken first, and therefore if I answer the question of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) I presume I am closing the debate. If that is in order I would be glad to answer his question.

I will send out for the information, but I regret I am not able to speak with absolute certainty. My impression, however, is that there is no provision at present in the Judges Act for payment of a salary of a fourth judge in Newfoundland. It is my understanding that there is no authority, as it were, for us to ask parliament to provide such a salary until the provincial government has taken the necessary step of providing a vacancy. I understand that the position is that the provincial government has a statute which provides for a fourth vacancy, but that statute

requires proclamation. This is one of the matters upon which I had a friendly discussion with the premier of Newfoundland on the occasion of my recent visit. Because the discussions were private I am not able to go further at the moment than to say that it was discussed, and it would be my hope that the province of Newfoundland—mind you, only if it sees fit—might proclaim its act and take the necessary steps to bring it into force. At that time I am certain that this government and parliament would give sympathetic consideration to the necessary legislative enactment to provide for the salary.

Mr. Broome: Before the minister sits down, I wonder if he would comment on my suggestion with regard to the retiring age of judges?

Mr. Fulton: Mr. Speaker, that is a matter which has been of concern to successive governments. My understanding of the situation is that it would require a constitutional amendment because the provisions with regard to the appointment of judges and their tenure of office are provided under the British North America Act, and being judges of provincial courts of the type we are discussing today I understand it is not the type of subject to which amending action by the dominion parliament alone would be appropriate. It would require an agreement with the provinces, and that type of constitutional amendment, as hon. members know, is extremely difficult to obtain.

With regard to the principle suggested that there should be an age limit of 75 upon judges in superior courts, I am in entire agreement with that. At the present time the judges of the county courts and of the exchequer court and the Supreme Court of Canada have an age limit of 75. It seems an anomaly, to say the least, that if the judges of the highest court in the land must retire at 75, and the judges of the county courts, if I may say without offence, at the other end of the scale, must also retire at 75, that the judges of the trial and appeal courts of the provinces should not be subject to the same age limit. It is a matter which, I believe, is increasingly commanding the interest and concern of the bar association, and there is a possibility that the bar association may take it up with provincial governments. In that event there may be some hope for agreement and ultimate amendment, and certainly any move in that direction would receive my own enthusiastic support.

Motion agreed to and bill read the second time.

[Mr. Fulton.]

Mr. Chevrier: Mr. Speaker, before you leave the chair, may I ask the minister if there are copies of the bill available so that we may look at it?

Mr. Fulton: Yes, the bill has been printed for some time and copies should be available for distribution.

Mr. Chevrier: Well, we have not got them at this time.

Mr. Fulton: Mr. Speaker, while you are leaving the chair to take the chair in committee, I will send out and get copies, because I am sure they are in the distribution office.

The house in committee, Mr. Sevigny in the chair.

On clause 1.

Mr. Benidickson: Mr. Chairman, while waiting for the bill to be distributed, I thought I would like to ask a question of the minister; I think he requires no notice of it. He is aware that in Rainy River in Ontario the district court judge was asked repeatedly to serve in a congested court in Toronto. The result was that for almost two years his services were so much in demand in Toronto that he was not available for the court in Rainy River to which he was appointed. A short time ago the minister saw fit to appoint him formally to the Toronto court, but I would like to point out to the minister that in consequence of this co-operation during the past two years at least the members of the bar are complaining very frequently about the lack of attention to the business of the citizens of Rainy River. I wonder whether or not the minister could inform the committee whether he has some optimism about having somebody in that court in the near future who would give full time service to the duties of the district?

Mr. Fulton: Yes, Mr. Chairman, I can. The hon. gentleman has been kind enough to discuss with me personally on two or three occasions and I appreciate his interest in the matter. It is, as he knows, an area which is not one of the easiest in the provinces, and that presents certain problems in connection with making these appointments, but I expect the problems will be resolved in the near future. In the meantime as an earnest of my intention I would remind the hon. member of the fact that when a vacancy arose in the other part of that district, at Kenora itself, the appointment was made with considerable dispatch, and I expect that this one will be made quite shortly.

Mr. Benidickson: I agree, Mr. Chairman, and I did compliment the minister personally upon the dispatch with which he dealt with the vacancy in Kenora. In the circumstances

I can say no more about it. I have no doubt as to that matter. The long period of absences with the consequent pile-up of unfinished business I think exists in my district in the southern area of Rainy River. I just urge the minister to give the matter his close attention. I compliment him upon his appointment and dispatch in the other area.

Mr. Pickersgill: The minister made an error in referring to dispatch. I had not intended to ask a question but I should like to ask the minister whether he can tell me what is the longest period in which there was a vacancy in the chief justiceship of a province.

Mr. Fulton: I am afraid that I have not that information here. May I suggest to the hon. member that, if it is important to him, I can get it and that he ask a question on my estimates.

Mr. Pickersgill: I should like to have the information. I should be quite happy to have it given on the minister's estimates.

Mr. Fulton: If our records show it, I will get it.

Clause agreed to.

Clauses 2 and 3 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

ROYAL CANADIAN MOUNTED POLICE ACT

AMENDMENT TO REVISE AND CONSOLIDATE CERTAIN PENSION PROVISIONS, ETC.

Hon. E. D. Fulton (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the revision and consolidation of certain of the pension provisions of the Royal Canadian Mounted Police Act, for the payment out of the consolidated revenue fund of superannuation and other benefits to members of the Royal Canadian Mounted Police and their dependents and for matters incidental thereto, and to provide further for certain administrative changes in connection therewith.

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

Mr. Fulton: I think it would be appropriate if I made a short statement on this resolution. The main purpose of the bill which will follow the resolution, if it is adopted, is to provide a separate statute regulating the pension provisions for the Royal Canadian Mounted Police, and to bring the pension provisions available to members of the force more closely in line with the Public Service Superannuation Act or rather with the provisions available to those having their pensions under that act.

The main provision in the present Royal Canadian Mounted Police Act providing pensions to members of the force are found in part V of that act which was introduced in 1949. But this provision covers only a limited number of members. The original provision for payment of pensions to members of the force was made in 1889. Since then five different parts have been added to the act dealing with contributory and non-contributory pensions with only occasional attempts having been made to integrate one part with the other. The result has been to create confusion and to make it almost impossible to explain correctly the various pension privileges to personnel in terms that can be understood. In addition, as a result of the conglomeration and unscientific nature of the pension provisions in the Royal Canadian Mounted Police Act there have arisen a number of anomalies and cases of hardship with which it is at present impossible to deal.

The purpose of the present proposed bill is to rationalize the pension provisions under one general heading and to take care, in so far as it is possible to do so by legislation, of the hardship cases.

Perhaps I might try to outline briefly for the committee the main changes that will be accomplished. As I have said, the first change is that instead of the pension provisions available being found in the same general act as that which covers the constitution and the organization of the force itself, the pension provisions will now be contained in an entirely separate statute. The new feature affecting members serving under parts II and III of the present act which have relation to pension, apart from additional opportunity being afforded them to elect to have all their service count under part V, is the provision that they may receive disability pensions for injuries sustained on duty as well as their service pensions.

At the present time members who have served under parts II and III on retirement are entitled to a retirement pension. But if later it is found that they suffer from a disability which was incurred on service they are unable to obtain benefits that are available to almost every other person in a comparable position, namely a disability pension in addition to the service pension. That anomaly is now being removed under the new bill. Hence, the provisions which will be found in the bill will take care of all cases that we know of where hardship results

from disability which did not occasion retirement. It will also assist these former members who sustained disabilities and are in receipt of a small service pension.

Some of the other anomalies, or what I might describe as anomalies, which will be taken care of—I refer to anomalies causing hardship—are as follows. It is desired to permit certain members who transferred from the British Columbia provincial police to count their service with the Imperial forces, something which is not permitted at present under the Royal Canadian Mounted Police Act but which they could have counted for pension purposes had they continued serving in the British Columbia police.

Another type of case is that of a member who is presently required to serve out his full term of engagement even although he may have completed his full pensionable service before the expiry of his term of engagement.

A third type of anomaly which presently exists is that a member of the force must serve ten years in the force under the present provisions before becoming eligible for a disability pension. This bill would permit a pension with only ten years' pensionable service. This is important, Mr. Chairman, in order to cover the cases of transfers to the force from other branches of the public service.

The normal provision with regard to transfers between branches of the public service is that a transferee from one branch to another can count for pension in his new branch all his service in the former branch. Under the provisions of the present Royal Canadian Mounted Police Act, if a public servant transfers into the force from any other branch of the public service his former service does not count toward his police pension. Under the new bill that service will count toward police pension and all that will be necessary is that he have ten years' pensionable service.

Another anomaly is that a member reaching the age limit for his rank with less than 20 years' service in the force cannot receive a pension at all. This provision produces particular hardship in the case of some transferees from provincial forces. It is proposed under the new legislation that ten years' service in the force will qualify a member for a service pension on reaching the retirement age.

It is necessary, in addition, to rectify certain anomalies such as the following. At the present time a member discharged for misconduct with between 20 years and 25 years of service may receive a larger pension than one retiring voluntarily with the same length of service. This is by reason of the provisions of section 97(c) of the present act. This seems entirely unjustified and the situation is being taken care of under the new bill.

Again there is no flexibility at present with regard to pensions on retirement for misconduct. A member so retired with between ten and twenty years of service must receive either two-thirds of the normal pension or nothing. The new bill will permit such a member to receive anything from nothing up to a full pension at the discretion of the treasury board so there will not be the arbitrary division into two-thirds or nothing.

Again at present under part V a commissioned officer cannot retire voluntarily with full pension even though he may have completed 35 years of pensionable service. He must be compulsorily retired. It is intended to permit such an officer to receive a pension when he has completed 35 years of service or attained retirement age.

I said earlier that one of the main purposes was to bring the provisions for pensions available to the Royal Canadian Mounted Police more closely into line with those available to public servants under the Public Service Superannuation Act. This will be achieved in the following respects. First, it is intended in conformity with the modern approach to pensions available to public servants to provide that the police pensions in future be granted as a matter of right whereas at present under the provisions of the act they are at the discretion of the governor in council.

Second, the Public Service Superannuation Act now makes provision for deferred annuities whereas under the Royal Canadian Mounted Police Act the maximum period of pensionable service in the force is 35 years. In the past if a member retired voluntarily with under 20 years of service he could receive only the return of his contributions. Our new bill will provide for either the return of contributions or a deferred annuity to commence at the age of 60 unless the member in the meantime becomes disabled, when he will be able to receive an immediate annuity, or if he should die his widow would receive a pension. This is in line with the provisions of the Public Service Superannuation Act.

Also the Public Service Superannuation Act provides for the payment of a residual amount of pension contribution to the estate of a member following the death of his widow and after his children have reached 18 years of age. This bill includes the same provisions.

I believe that covers the main features of the bill which will be introduced when the

resolution is carried. As I said at the beginning, it is intended to bring the pension provisions available to members of the police more closely into line with those of the Public Service Superannuation Act and in so doing to provide authority or coverage under which we can take care of certain anomalies which have arisen in the past applicable particularly to the cases of those who transferred to the force from provincial forces and to certain hardship cases that I have referred to under the heading of those who have retired on merely service pension and are later found to be suffering from a disability incurred during service but who are not entitled to the service pension in addition to their disability pension.

If there are any other particular points that I should cover they will no doubt occur during the debate on second reading and the discussion in committee and I shall be glad to clear up any difficulties then.

The one final remark I should like to make is that it is a matter of great satisfaction not only to members of the force and the officers who are in charge of administering the pension for the police to see these improvements and modernizations in the pension provisions but it will, I am sure, be a matter of satisfaction to the house and to the country as a whole to see this action taken whereby the hardships, anomalies and injustices of the past can be removed for the future.

Mr. Roberge: Mr. Chairman, we have listened with interest to the statement made by the minister on this resolution. On the whole we agree with him and the government that it is a good thing to separate the present act into two acts one for the administration and discipline of the force and the other for pensions.

I was extremely interested in what the minister had to say about correcting anomalies and preventing hardships to members of the force. Of course, these hardships are checked only as they arise and probably it was not possible to correct the situation previously.

I think I need not say any more at the present time. We will reserve what we have to say on the principle of the bill until we have seen the legislation and compared it with the present act. We will then put questions to the minister in committee.

Resolution reported and concurred in.

Mr. Fulton thereupon moved for leave to introduce Bill No. C-57, to amend the Royal Canadian Mounted Police Act.

Motion agreed to and bill read the first time.

R.C.M.P.

ROYAL CANADIAN MOUNTED POLICE

LEGISLATION RESPECTING ORGANIZATION AND DISCIPLINE

Hon. E. D. Fulton (Minister of Justice): moved the second reading of Bill C-34 to amend the Royal Canadian Mounted Police Act.

Some hon. Members: Explain.

Mr. Fulton: Mr. Speaker this is the second of the two proposed Royal Canadian Mounted Police bills, this one dealing with the organization and administration of the force and the disciplinary provisions under which the members will serve. It represents a substantial modernization and streamlining of the provisions governing organization and discipline.

At the outset I should like to pay tribute again to the serving members of the force from the commissioner down. I wish to make it clear that the bulk of the recommendations for this improvement and modernization came from the police themselves. I know that sometimes certain persons have given the impression that the Royal Canadian Mounted Police suffer from, shall I say, a certain rigidity in their approach to organizational and disciplinary problems. I think it is significant, and I want to emphasize the fact to the house and through the house to all those who are interested, that it has been my experience since assuming responsibility for the force that all members and particularly the officers, as I have said from the commissioner down, with whom I have come in contact have been most concerned to modernize this act and bring about certain changes which in their view would make the administration and the code of discipline of the force both more up to date and more democratic. This is not for a moment to say that there are any improper or reactionary attitudes on the part of anyone in the force; indeed, quite the contrary. I am not suggesting that under the former act there was anything undesirable. I am suggesting simply that it is a tribute to the modern and progressive outlook of the responsible officers of the force to find that they themselves are the ones who have brought forward and pressed for the modernization of their own act.

Perhaps the house would like to have a brief summary of the main provisions of this bill. With respect to the organization and administration of the personnel of the force it will be found that the bill will allow for greater flexibility and yet at the same time it will retain and in some respects improve the system by which there is an over-all control of the force by the government and responsibility of the force to the government.

R.C.M.P.

One respect, for instance, in which there will be greater flexibility and yet a proper retention of control is in the feature that the position of the civil servants who serve with the force will now be regularized. In the past, the commissioner could appoint several categories of special employees. Under the new bill there will be only one category of supernumerary special constables. All others serving with the force will be provided for on the establishment proper of the force, except only casual employees under prevailing rates, in which case treasury board approval will be necessary for the employment of such persons. Therefore, it will be seen that there is a considerable improvement and streamlining in respect of the relationship between the force and the civilian personnel employed with the force.

Particularly, I should point out to the house that the result of the bill will be that the nebulous in-between group of employees, employees who are neither civil servants nor actual members of the force, will disappear when this bill becomes operative.

With respect to another category of member, namely those who form the R.C.M. Police reserve, there is no substantial change made in this position, but a number of details have been eliminated and the general provisions for the administration of the reserve have been made more flexible.

One other point that should be noted in connection with changes in the administration of personnel is that there is provision for a new rank, the rank of chief superintendent. This rank will be interposed between the present positions or ranks of assistant commissioner and superintendent. The effect of it will be that the position of assistant commissioner will be one grade higher. This, I think, is entirely appropriate in view of the fact that in the majority of the provinces with which we have contracts for the service of the R.C.M. Police the contract divisions, as they are called, are commanded by an assistant commissioner. It is, therefore, I think, entirely appropriate that the position of assistant commissioner should be upgraded.

With respect to those features in which, as I have said, the administration has been modernized, I would point out the following. There are a number of provisions being deleted which, while some may regret that they are seeing the official indications of the end of an era, nevertheless do indicate that in the amendments in this bill we are taking account of the fact that conditions have changed. By way of historic interest and illustration of what I have said may I direct the attention of the house to section 18 (2) of the present act which provides that:

[Mr. Fulton.]

> No constable shall so enter any hut, tent, wigwam or dwelling, unless accompanied by or under the order of a commissioned officer.

When I noticed this provision was being deleted I asked the commissioner about it. He explained to me that this was the sort of provision that in its wording and in its implications goes right back to the year 1874 when the force was first founded and their main duty was to deal with Indians on the western plains. In fact, their almost exclusive duty was to deal with Indians on the western plains, and in order to ensure that there might be no untoward incidents it was necessary to provide that while they had the right of search and entry, no constable should actually enter a hut, tent or wigwam unless accompanied by an officer. This, in so far as it reflected the ambit of the duties of the force of those days, has of course been entirely outmoded by the modern day conditions and the modern responsibilities under which the force operates and the responsibilities which it discharges and these provisions, for instance, are no longer necessary.

Then, again, in the new bill, one will see evidence which gives ample proof of the fact that a good part of the responsibility discharged by the force now arises under the contracts with the provincial governments and, indeed, with a number of the municipalities in all provinces except Ontario and Quebec.

I should perhaps mention that with respect to pay and allowances there is streamlining in the sense that in many cases functions formerly discharged by the governor in council are transferred to treasury board. I can reassure the house, however, that there is no loss of government control in that. If there is any difference of opinion, of course, the minister can take the matter to the full cabinet.

Another example of changes which take account of present-day responsibilities of the force is found in the provisions regarding disposition of property. This is a new provision because property comes into the possession of the force throughout the Northwest Territories, and we find that it is throughout the Northwest Territories where they discharge many functions not discharged by police in other parts of Canada. They have a multiplicity of welfare functions in connection with the Indian and Eskimo native populations, as I saw at first-hand during the course of a visit that I paid to the western areas of the district of Mackenzie immediately after Easter. There is, however, no legislation similar to that in the provinces to cover the disposition of the property coming into the

custody of the police under these circumstances, so we now have to make provision in our own act to provide for the manner in which and the circumstances under which this property will be disposed of.

I turn now to the provisions regarding discipline. Here, as I have said, the emphasis is upon making the procedures more democratic and of eliminating wide and arbitrary powers which were contained in the former act. Again I want to emphasize that the fact that these powers are eliminated and modified should not be taken and is not to be taken as an indication that there were abuses in the past; but we have felt that when we are introducing legislation to amend and to modernize the Royal Canadian Mounted Police Act then, in accordance with the pattern and indeed with the desire of the senior officers of the force itself, it is better to provide what I call a democratic procedure, and particularly to provide for a review and appeal procedure in connection with those disciplinary cases.

The matter has been approached on the basis that we should create two categories of offences, minor offences and major offences. It is provided that offences against a standing order, rule or regulation which formerly involved the possibility of very severe, indeed harsh penalties for relatively minor or new offences will now be dealt with only as minor offences.

The reason I say that, Mr. Speaker, is that it was quite possible, and it always must be quite possible, to change standing orders and rules and regulations. No one, of course, is excused from an offence or from responsibility for an offence by reason of the fact that he did not know of the change. It was, however, quite possible to provide new offences in this manner and the circumstances were such that a member committing one of these new offences might find himself subject to very extreme penalities.

We have therefore provided, as I say, that all offences against standing orders, rules or regulations will be dealt with as minor offences and we have provided conversely that major offences are in general only offences against the provisions of the act itself. In providing these two categories of offences we think we have rationalized the difference in procedure and brought in a more up to date and more satisfactory code of discipline.

We have provided also for an appeal to the commissioner in the case of convictions for minor offences and, which is entirely new, we have also provided for a board of review to which appeals can be taken in the case of a conviction for a major offence.

With respect to custody, it is interesting to note that at the present time there is nothing in the act which prohibits the holding in custody of a member of the force charged with an offence for an indefinite period without trial. I am not saying that this was done but it was the view of the commissioner that it should not be possible to do so and that the act should be changed so as to make it impossible. We are providing in the new act safeguards and limits as to the time during which an offender can be held in custody without formal trial and disposition of his case.

With respect to the tribunals before which disciplinary cases were heard, we have removed the distinction between officers and members of the force so far as trial for minor offences is concerned and the tribunal in all cases will be the same. With respect to major offences, these must now be reported to the commissioner and the trial will be held under arrangements made by him, which removes any chance of bias in the tribunal that might result from the fact that an officer would otherwise possibly be trying one of his own men. It is now provided that the commissioner himself must arrange for the tribunal before which the trial will be held.

With respect to the laying of the charge, if a member of the force is charged with a minor offence an officer may lay the charge on his own authority but if he is accused of a major offence then the officer must report to the commissioner who will decide whether a charge should be laid and, if so, what charge.

One other important and interesting development which I think the house will approve is that for the first time we are embodying in statutory form provisions establishing the rights of an accused member of the force with respect to his trial. At the present time his rights are left to the regulation or discretion of the officer conducting the trial. We are making an attempt here and I think a successful attempt, to write into the statute the rights of the accused with respect to the holding of his trial so that he will know and have in statutory form that protection which is also available to a person tried before the civil or criminal courts.

With regard to punishment we have specified clearly that disciplinary offences must be dealt with in the disciplinary courts of the service itself, but it is also proposed that where an offence partakes of the nature of a criminal offence and is, as it were, a mixed service and criminal offence, we will confer with the attorney-general of the province in which the offence is committed so that if it should be his desire that the matter should be

proceeded with by way of a charge in the criminal courts of the province that desire can be taken account of.

As I have said, Mr. Speaker, we have also provided in an entirely new feature of the legislation for the right of appeal by a member convicted of a disciplinary offence and have also provided for a board of review for those convicted of major offences. It is my view that this represents a substantial and important step forward in the bringing into line of the provisions of the Royal Canadian Mounted Police Act, in so far as organization and administration of the personnel are concerned and in so far as their code of discipline is concerned, with the conditions under which members of the force now serve and into line with the responsibilities which they must discharge, so that under the new act all members of the force and the country as a whole can feel that the best traditions of the force are being continued in the present age and carried forward into the future.

(Translation):

Mr. Gabriel Roberge (Megantic): Mr. Speaker, I hope you will allow me to transgress the standing orders of the house in that I shall not be speaking from my place, but rather from here, where I find it easier to have a discussion with the Minister of Justice (Mr. Fulton) in connection with this bill.

As I said at the resolution stage with regard to the preceding item, we on this side of the house feel that it is good policy to separate the part dealing with administration and discipline from the part dealing with pensions for the R.C.M.P.

I have studied the bill quite closely. I have gone over it again and again, and I sincerely believe it is an improvement on the former provisions which, as the minister has emphasized, have been in force since 1874, though they have been amended from time to time over the years.

As regards the very organization of the force, I see no reason for objecting to this bill. Perhaps there may be a few minor points, which we shall be raising at the committee stage. We have no objection to voting for the principle of the bill.

I also note that there have been changes made in the second part of the bill, which deals with discipline; major and minor offences will be defined, as was pointed out a moment ago by the Minister of Justice.

As to the procedure that is being established by the bill, I believe it is sound. The government is to be specially commended for following the advice of the very officers of the force with regard to the institution of a right of appeal for all members of the force who have been put on trial and who feel they have been wronged by the decision rendered by the officer in charge.

To sum up, we will vote in favour of the principle of the bill, and we shall certainly co-operate with the Minister of Justice to get through the second reading and also probably, through the committee stage in the course of the evening.

(Text):

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I was able to hear only a part of the statement made by the minister, but I can certainly approve of the objectives as he set them forth and particularly those changes which would make certain provisions applying to the R.C.M.P. more democratic. I had expected the hon. member for Vancouver East (Mr. Winch), who takes a great interest in mounted police matters, would be here at this time but because of other business he is unavoidably away from the chamber this afternoon.

We shall have a number of comments to make in the committee stage, and particularly we will question some of the provisions in the bill that seem rather harsh and which we think could be further liberalized. This is probably a particularly good year or particularly appropriate session in which to bring forward such a bill when the R.C.M.P. has been surrounded to some extent by rather widespread controversy. In a nation like ours we think any step forward toward bringing democracy and democratic procedures to the discliplinary measures in the R.C.M.P. and administrative measures is a step in the right direction.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Before the bill carries, I should like to say a word both on my own behalf and on behalf of the Leader of the Opposition (Mr. Pearson) who, unfortunately, could not be here today. There are certain incidents which happened recently with respect to the Royal Canadian Mounted Police which we, in this party, intend to debate on the minister's estimates. We think that a more appropriate time to do so than on the second reading of this bill. I wanted to make it very clear, for my own part and the Leader of the Opposition asked me to make it clear for his part, that the fact we were not debating these matters now does not mean we do not consider the matter one of the most important to be debated during this session of parliament.

With respect to one clause of the bill, because I, too, may not be here when we reach the clause, having to do with agreements with the provinces, we do think it

would be desirable for the minister to consider very carefully whether some changes should not be made in it to have parliament spell out precisely what the obligations are instead of leaving that for definition by the governor in council and in the contracts.

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

On clause 1—*Short title.*

Mr. Pickersgill: I wonder if, in view of the fact we have made very good progress this afternoon we could call it six o'clock so there would be a continuous discussion.

Some hon. Members: Agreed.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Roberge: Mr. Chairman, would the minister indicate the major differences between the interpretation clause and the one in the former act?

Mr. Fulton: Mr. Chairman, I think in the discussion on second reading I indicated the main differences between this bill and the former act. At that time I pointed out the main purposes of the bill were to streamline and modernize the provisions regarding the organization and administration of the force with respect to its personnel, and to modernize and bring up to date the provisions regarding the code of discipline of the force. I would think as we come to the specific clause that I could deal more intelligently with any points which hon. gentlemen care to raise at that time.

Clause agreed to.

On clause 2—*Interpretation.*

Mr. Roberge: Mr. Chairman, I did ask a question on clause 1 which I meant to ask on clause 2. Would the minister be kind enough to indicate to the committee the difference between clause 2 in this bill and section 2 in the former act, and give the reasons why some definitions are now omitted?

Mr. Fulton: This bill, Mr. Chairman, as I explained, is a bill to streamline and modernize the provisions of the act, and it has been found with respect to clause 2, which is the interpretation clause of all bills, that there are a number of definitions that are not necessary to be placed in this clause. Some of them recur later; others are not necessary. If the hon. member would direct my attention to a specific point then I could probably deal with it, but in general I can only say that we have found these are the only definitions which it is necessary to insert at this point.

Mr. Roberge: The one I am concerned with especially is in the former act, where there was a definition of the word "constable", and there is none in this bill.

Mr. Fulton: The reason for that is that the two main differences which it is found desirable to continue are the differentiation between "officer" and between "member". "Constable" is a rank and not a status under the new act.

Mr. Roberge: Clause 2 (c) defines the word "member" as a member of the force. Does that definition also include an officer?

Mr. Fulton: Yes. Officers are also members of the force, and if my friend refers to 2 (e) he will find that "officer" means a commissioned officer of the force. But both officers and all other ranks are members of the force.

Mr. Herridge: Mr. Chairman, may I ask this question, more or less just as a matter of curiosity. Are there any warrant officers in the Royal Canadian Mounted Police?

Mr. Fulton: No, we have no status or rank as such. There are officers, non-commissioned officers, and constables of various grades.

Clause agreed to.

Clause 3 agreed to.

On Clause 4—*Employment of force.*

Mr. Godin: Would the minister explain the great change in this clause as compared with the section in the previous act, especially the possibility of the governor in council directing the force to act outside of Canada? I feel this is so broad in its aspect and ramifications that it may involve the government of this country in matters which the cabinet alone should not deal with.

Mr. Fulton: The fact is that the force is employed at present at many points outside Canada, and we felt it was desirable to regularize the situation in the new act.

Clause agreed to.

On clause 5—*Commissioner.*

Mr. Crestohl: I would like to ask the minister whether the appointment of a commissioner is for a fixed term or for life, or is it at the pleasure of the governor in council?

Mr. Fulton: The appointment of the commissioner is an appointment at the pleasure of the governor in council.

Mr. Roberge: Was it the same under the former act?

Mr. Fulton: The relevant provision of the former act was section 6 (1), which read:

> The governor general may by commission appoint a commissioner of police, who shall be called the commissioner of the Royal Canadian Mounted Police, and may also appoint by commission a financial comptroller of police.

There is no change in effect under the new bill.

Mr. Pickersgill: The minister said that the tenure was at the pleasure of the governor in council. On what does he base that, since there are no express words?

Mr. Fulton: It is, as I understand it, an appointment at pleasure, subject of course to the fact that the commissioner is also an officer of the force, and his length of service and conditions as to retirement, and so on, are regulated by the general provisions of the force which are applicable in that regard.

Mr. Pickersgill: Could the governor in council retain a commissioner in the force without his being retained as commissioner? That is to say, if the governor in council was pleased to dispense with his services as commissioner, would he continue to be a member of the force?

Mr. Fulton: I think that is rather a hypothetical question. I would imagine that if the governor in council indicated that the services of the commissioner were no longer acceptable as such, the person holding that position would feel it incumbent upon himself to resign from the force.

Mr. Pickersgill: That is not true, of course, in the case of chiefs of staff of the army or of the other armed forces.

Mr. Fulton: That may be so.

Clause agreed to.

On clause 6—*Other officers.*

Mr. Roberge: Subclause (1), as the minister pointed out this afternoon on second reading, establishes a new rank, which is chief superintendent. Those officers, of course, are appointed by the governor in council. Then on subclause (2) it is said:

> The maximum number of officers in each rank shall be as prescribed by the treasury board.

I wonder why in this subclause we see the words "treasury board" instead of "governor in council"?

Mr. Fulton: I explained, as I recall it, on second reading that a number of the duties or functions which were formerly the obligation of the governor in council have been transferred to treasury board. As the hon. member knows, generally speaking the establishment of departments, and in this case of the R.C.M. Police, is an establishment approved by treasury board, and so it has been considered advisable to provide here that the establishment for officers shall similarly be approved by treasury board.

So it has been considered advisable to provide here that the establishment for officers shall similarly be approved by the treasury board. As I explained this afternoon, if at any time there were a difference of opinion between the police advisers and treasury board as to what should be the establishment of officers, it would be open to the minister to carry any unresolved conflict to the cabinet itself, that is to say to the governor in council, for resolution.

Mr. Pickersgill: Can the minister say whether the establishment of the armed forces is determined by the treasury board or by the governor in council?

Mr. Fulton: No. I am afraid that I could not answer that question offhand. However, I would imagine that over-all decision rests with the governor in council, exactly as it does here, should there be any conflict.

Mr. Crestohl: Clause 6, subclause 3(a) provides that the governor in council may appoint persons to be officers. Will the minister kindly explain whether that means that the governor in council has authority to appoint persons from civilian life to be officers although they did not come up in the ranks of the force or is it restricted—"persons" there meaning in the general sense of human beings—to those coming up in the ranks?

Mr. Fulton: The only answer I can give is that "persons" means anybody and the governor in council would be authorized to appoint somebody from outside the force to be an officer in the force if the governor in council saw fit to do so. For instance, I recall that on one occasion—and possibly it has happened on more than one occasion—persons from outside the force have been appointed to be commissioners of the Royal Canadian Mounted Police. That is true in the case of two commissioners, I am informed; but it would be an unusual practice. I cannot imagine the circumstances arising that would necessitate it, but they might; and it is thought desirable to retain that power in the governor in council.

Mr. Crestohl: Whilst there is on record the fact that two commissioners were appointed from civilian life, is there anything on record showing that officers of other ranks were

appointed from civilian life? I can see a difficulty developing there in the ranks themselves. Men who come up in the ranks would like to feel that they are given certain priority. However, if the section were to read that the governor in council may appoint commissioners from civilian life that might probably be more acceptable than to say they may appoint officers of all ranks from civilian life.

Mr. Pickersgill: I think the hon. member for Cartier has put his finger on an extremely important point. It appears to me—and I do not profess to know very much about the armed forces—that this gives a great deal more power to the governor in council than he has with regard to the civil service. This provision may be in the existing law, but that would not necessarily make it desirable. As I say, this seems to me to give a great deal more power certainly than the governor in council has in the case of the civil service. There does not seem to be any kind of provision here for any sort of merit system whatsoever.

Mr. Fulton: May I point out that under the provisions of the present act the power is equally wide or possibly wider.

Mr. Pickersgill: I am not interested in that.

Mr. Fulton: It reads as follows:

6(2) The governor in council may by commission appoint a deputy commissioner and one or more assistant commissioners of police, one or more staff and other superintendents, and inspectors, detective inspectors, sub-inspectors, surgeons, assistant surgeons, veterinary surgeons and assistant veterinary surgeons of the force, and the governor in council may in any commission issued under the authority of this sub-section limit the time during which the same shall continue in force.

There is no limitation at the present time upon the ranks—

Mr. Pickersgill: The minister has not dealt with my point at all.

Mr. Fulton: There is no limitation upon the ranks or area from which the officers may be drawn. I am quite frank to admit that the same wide authority is continued under clause 3(a) of the present bill.

Mr. Pickersgill: That was what I pointed out to the minister when I first made my observation, namely that it appears to be the case in the existing law but that fact did not necessarily make it desirable in these modern times. We were given to understand on second reading that the purpose of this bill was to improve the present situation. We have the merit system in the public service. Certainly the government, from such experience as I had with governments, has not had the appointing of the officers in the armed forces. This seems to be a rather antiquated system. I do not suppose it operates in fact at all. I suppose practically all these appointments, except the very highest ones, are simply rubber stamped by the governor in council and it could not be otherwise. I am just wondering whether there is not a defect in the law here that ought to be remedied.

Mr. Fulton: It is pointed out to me that, for instance, there might be a particularly outstanding provincial police officer whom it was desired to bring into the Royal Canadian Mounted Police but if we did not have such broad power it would not be possible to do so. May I also assure the hon. gentleman that this government does not rubber stamp things in the way the former government did.

Mr. Pickersgill: That rather cheap and unworthy observation is not very becoming of the minister and it certainly was not called for at all. I might point out to the minister that if he would take the trouble to read the Civil Service Act he would find that provision is made in the Civil Service Act for the kind of exceptional cases he has in mind; and in order to deal with exceptional cases it is not necessary to have an unlimited system of patronage such as that which exists by law and which the government intends to perpetuate here.

Mr. Crestohl: Can the minister ascertain from his officials whether, apart from the appointment of a commissioner on two occasions from civilian life, there is on record the appointment of officers of other ranks from civilian life.

Mr. Fulton: From my own knowledge I can think of one or more officers in a provincial police force who were brought in and appointed as officers of the Royal Canadian Mounted Police. I am assured by the officials in front of me that there have been many cases since 1932 of such appointments. But I am also assured that since 1932 such appointments have been confined to serving officers of other police forces.

Clause agreed to.

On clause 7—*Other members.*

Mr. Roberge: I take it that the words "treasury board" in subclause 2 are there for the same purpose as in clause 6.

Mr. Fulton: That is correct.

Mr. Roberge: Subclause 4 reads as follows:

The commissioner may appoint any member and any special constable appointed under section 10 to be a peace officer.

If I read this subclause in conjunction with clause 17, especially subclause 3 of

clause 17, am I correct in saying that there is duplication? Under clause 17 (3) the commissioner may appoint every officer and every member to be a peace officer. It seems to me that subclause 4 in clause 7 is not useful.

Mr. Pickersgill: It seems to say exactly the same thing.

Mr. Fulton: Perhaps I have not followed correctly the hon. member's question. The appointment of members to be peace officers is particularly important, as I understand it, throughout the northern territories. There are also cases where we appoint special constables and this is a power that is desirable in the event of unforeseen circumstances. We may have to appoint special constables and give them the power of peace officers. Perhaps I have not appreciated the hon. member's question.

Mr. Roberge: I agree with the minister's statement. I have no quarrel with giving to the commissioner power to appoint members or special constables as peace officers. However, what I said was that under clause 17(3) of the bill before us the same power is given as is given in clause 7(4). I should like to know the difference.

Mr. Fulton: I do not think my hon. friend is quite correct because clause 7(3) and (4) authorize the commissioner to appoint any member or any special constable as a peace officer. Clause 17(3) makes it clear that any person appointed has his powers in every part of Canada. They are complementary clauses. One does not repeat the other. One provides for the appointment of peace officers and the other makes it clear that these officers so appointed have their powers in all parts of Canada.

Mr. Roberge: Clause 17, subclause 3 provides that every officer and every member appointed by the commissioner to be a peace officer has all the powers, authorities, protection and privileges that a peace officer has by law and is a peace officer in every part of Canada. I do not really see the difference.

Mr. Fulton: I can only repeat again that clause 7 gives to the commissioner the authority to appoint members as peace officers. Clause 17, subclause 3 makes clear what are the powers of persons so appointed to be peace officers and also makes clear that they have their power and authority in every part of Canada.

Mr. Roberge: I have no further objection to that.

Clause agreed to.

Clauses 8 and 9 agreed to.

On clause 10—*Supernumerary special constables.*

Mr. Herridge: Mr. Chairman, this clause is headed "Supernumerary Special Constables". My first question is why this superfluity of language? This seems to be rather a cumbersome title for special constables.

The clause goes on to state that the commissioner may appoint without pay special constables supernumerary to the strength of the force. What would be the purpose of appointing supernumerary special constables? Under what circumstances would people be appointed without pay? One can hardly understand that persons would act in that capacity for any period of time without receiving some remuneration.

Mr. Fulton: The reason for the terminology is that such special constables are supernumerary to the establishment of the force and they are special constables of the Royal Canadian Mounted Police so appointed under such circumstances as railway constables who may be supernumerary special constables of the Royal Canadian Mounted Police or under special circumstances Indian affairs constables, or constables appointed to carry out the duties of the Indian affairs branch with respect to Indian reservations.

Mr. Herridge: The words in which I was interested are "without pay" in the first line. I want to know under what circumstances people would act as constables without pay.

Mr. Fulton: I am told that the principle there is that all men so appointed are also employees of such people as railway companies or the Department of Citizenship and Immigration. Therefore we designate them as supernumerary special constables in order that they have the necessary authority but it is not necessary to duplicate their pay.

Mr. Herridge: Does that mean that a Canadian Pacific Railway Company constable could be appointed a supernumerary special constable and would have the authority of a Royal Canadian Mounted Police constable wearing the uniform of the C.P.R.?

Mr. Fulton: No. I am told that he may be employed as a supernumerary special constable but he has only the powers and authority of a peace officer throughout Canada.

Mr. Herridge: I am not a member of the legal profession. What does that mean, only the power and authority of a peace officer?

Mr. Fulton: He has the power to make arrests between one province and another and has such authority as is not held by a person who is not a peace officer.

Mr. Herridge: What companies in Canada are granted the privilege of having their constables made a special part of the Royal Canadian Mounted Police force?

Mr. Fulton: I am informed that only two companies have this duty—not privilege. These are the Canadian Pacific Railway and the Canadian National Railways. These are the only two companies that may employ a supernumerary special constable. In addition there is the Indian affairs branch.

Mr. Herridge: Do these constables wear a badge to designate their appointment or do they have a card of identification? A person might object to being arrested by a C.P.R. constable but might acquiesce if arrested by a supernumerary special constable of the Royal Canadian Mounted Police.

Mr. Fulton: I am informed they have no badge but a certificate of identification.

Mr. Herridge: On their person?

Mr. Fulton: Yes, it is their duty to carry it on their person, I am informed.

Mr. Benidickson: The minister made reference to employees of the Indian affairs branch of the Department of Citizenship and Immigration. Is there anything new proposed in the bill in this respect irrespective of the type of employee of the Indian affairs branch empowered with the prerogatives of a peace officer?

Mr. Fulton: There is no change between clause 10 and section 8, subsection 6 of the present act. There is some shortening of the language but if hon. members take time to compare the two they will find the provisions are identical.

Mr. Benidickson: Is there a particular type of employee of the Indian affairs branch that is given this prerogative?

Mr. Fulton: They are designated as Indian constables of the reserves and the Indian affairs branch asks us to designate certain personnel of that branch as constables.

Mr. Benidickson: Does the minister contemplate any particular enlargement in the number of people that will be so designated in the department?

Mr. Fulton: No, Mr. Chairman.

Clause agreed to.

On clause 11—*Civilian staff.*

Mr. Roberge: Mr. Chairman the explanatory notes indicate that this is new. I heard the minister comment on this clause this afternoon. I would like to know whether civilian employees are hired by the force directly or under the Civil Service Act as it now stands?

Mr. Fulton: At the present time there are four categories of employee working in or with the force. There are the regular members, special constables, employed civilians and civil servants. There has developed an increasing tendency to intermingle the four groups and particularly the regular members, special constables and employed civilians have been intermingled in the technical and specialized personnel. This has led to a great deal of confusion and some difficulties as between these various types of employees. It is desired now to regularize the situation so that authority for the appointment of technical and specialized personnel under the Royal Canadian Mounted Police will be so regulated that such personnel may be ranked with uniformed personnel as members of the force subject to special instructions to be set out in the regulations with the same stated conditions and benefits.

The object of the legislation is to divide all personnel working with the force into two broad groups: First, enforcement personnel consisting of those employed, or likely to be employed, on duties requiring the status of a peace officer, and those include members of the force and special supernumerary constables. The second broad group is civilian personnel who will be those employed on the specialized clerical or maintenance duties and requiring qualifications other than those of peace officers. And these will be broadly speaking, as I said this afternoon, civil service members employed with the force and such prevailing rate employees as are authorized from time to time by treasury board.

Mr. Roberge: I understand that. What I want to know is this. Are the civilian employees under the present act, not under the bill, hired through the civil service commission or directly by the force?

Mr. Fulton: They are hired directly by the force. The civil service commission, however, sets their rates of pay.

Mr. Roberge: There is no application to the civil service commission or il n'y a pas de concours?

Mr. Fulton: There is no competition. There are not the usual civil service procedures followed, I understand. Under the new arrangement that will be done; but civilian members working with the force will be regular civil servants. With regard to prevailing rate employees, they will not be regular civil servants; they may be taken on and

let out casually but their establishment, the numbers who may be employed, will be set by the treasury board.

Mr. Pickersgill: Is any provision being made to protect the status of the existing members of the staff; that is to say, to integrate them into the civil service?

Mr. Fulton: That, I understand, is done under the R.C.M. Police superannuation bill that we—

Mr. Pickersgill: Will the civilian staff be covered by that legislation or by the Civil Service Act, since those people are civil servants?

Mr. Fulton: The civil servants will be covered by the Public Service Superannuation Act.

Mr. Pickersgill: I think the minister has not got my question. There are a certain number of civilian employees now. The minister told my friend from Megantic that those employees had been hired by the force; therefore, they are not in the civil service. Now, it is usual in legislation of this sort, of which we have had many examples in the last 15 years, in the integrating of a group of employees into the civil service, to put some provision in the legislation to protect the status and indeed to integrate those people into the civil service and give them the status of civil servants. There does not seem to be anything in this legislation. I wonder whether the minister will take a look at that and see if it should not be done?

Mr. Fulton: I think the hon. member has a point. I will be glad to look at it to see if it requires an amendment.

Mr. Pickersgill: Could we not let this clause stand?

The Acting Chairman (Mr. McGee): Is it agreed to let this clause stand?

Some hon. Members: Agreed.

Clause 11 stands.

On clause 12—*Reserve.*

Mr. Broome: Mr. Chairman, I am rather interested in this. I have a number of friends who are members of the Royal Canadian Mounted Police reserve and I was wondering whether the minister might give an idea as to the functions and duties of this group? The reason I am asking is that I know how much work the reserve officers I know put into training with the R.C.M. Police. I am wondering whether they are being utilized to the full and the advantage that may be taken of them?

[Mr. Fulton.]

Mr. Fulton: Well, broadly speaking, their duties are described as to be of assistance to the regular members of the R.C.M. Police in the event of any situation arising where they would be of assistance and their services were utilized on such an occasion, for instance, at the Quebec conference which required a large number of trained and qualified personnel which could not be met from the members of the force.

Clause agreed to.

On clause 13—*Tenure of officers.*

Mr. Pickersgill: From the explanatory notes I have no doubt that this is what the law is now, but I wonder whether this is what the law should be in the second half of the twentieth century, or whether the minister would not consider, or has not already considered, whether he should not substitute "good behaviour" for "during pleasure"?

Mr. Fulton: Yes, that has been considered and it is not considered advisable to do so because this is a disciplinary force, and to administer the discipline and maintain the integrity of the force it is considered that the clause in its present form should remain.

Mr. Crestohl: Mr. Chairman, I should like to draw the minister's attention to subclause 2 of clause 13, which reads in part:

> Every member other than an officer shall upon appointment sign articles of engagement for a term of service not exceeding five years—

This means that anyone who applies to be a constable and his application is accepted has to join for a term of five years. That is quite proper. However, the clause states that such a member may be dismissed or discharged by the commissioner at any time before the expiration of his term of engagement. It says nothing about his being discharged peremptorily or for cause. As the clause reads now, while there is a contract between the force and the member, it is only a unilateral contract. I can understand that a young man would enlist for a term of five years and feel secure, that he has an appointment for five years and that he cannot be dismissed just at the will of the commissioner; but the clause should state that he can be dismissed for cause or for some other reason, but not a peremptory dismissal. Does the minister not think that the clause needs to be changed to clear up such an unusual situation?

Mr. Fulton: No, Mr. Chairman, I do not. As I have already explained, in addition to the requirements of discipline, there are a number of special circumstances that may arise such as medical disqualification that comes immediately to mind, unsuitability not

connected with any disciplinary offence or an offence against the regulations; a variety of reasons why it is desirable to terminate the services of a member of the force.

Mr. Crestohl: I thoroughly agree with that. I think the clause should state something to that effect, and say that a constable under those circumstances may be dismissed for cause.

Mr. Fulton: The difficulty there is that—and that is the reason why the broad powers are left—if there is the requirement of assigning a cause it usually ends up as a blot on the man's record.

Mr. Crestohl: A cause such as ill health?

Mr. Fulton: He would still have to have a finding of his physical condition which makes it impossible for him to continue as a member of the force. On the basis of my knowledge of the way the act is administered I am quite convinced that this is the proper way to keep the power of the commissioner to dispense with the services of members of the force, and it is very often in the member's own interest. In addition, I would point out that there is a maximum period of five years and members may purchase their discharge within that period.

Mr. Pickersgill: I must say I have listened with greater astonishment than I have listened to anything since the present government took office to the words we have just heard from the Minister of Justice because what he has said is precisely what I used to say about not giving the reasons for not allowing persons who had no right to come into Canada to come into Canada. The minister sat over here on this side of the house day after day when my estimates were up during the time I was in office and complained about the denial of human rights because we would not give the reason why we did not let people come into Canada as immigrants. But here we are dealing with Canadians serving in the Royal Canadian Mounted Police and he objects to having the words "for cause" in case it might be embarrassing or be a blot on their record.

Mr. Fulton: Not at all.

Mr. Pickersgill: Perhaps the minister would let me finish.

Mr. Fulton: It is so absurd it is not necessary.

Mr. Pickersgill: There is one great difference between the Minister of Justice and the Minister of Finance. When the Minister of Finance meets an argument to which he knows of no reply he describes it as nonsense, when the Minister of Justice meets a similar argument he calls it absurd, but neither of these expletives is a reply to an argument.

I may say that I think there is a good deal in what the minister has said, just as I was quite convinced and am still convinced that the position I took with respect to this matter when I was minister of citizenship and immigration was a correct position, and I notice that the present government has not changed it. But it does come rather strangely from the minister to hear him say that Canadian citizens serving in the force, their livelihood depending upon their service, may be dismissed without any cause being given.

Mr. Fulton: After that tirade I would point out that there are two great differences. First, with respect to service offences we have, unlike our predecessors, provided for an appeal procedure, which is something my hon. friend refused to do when he was minister of citizenship and immigration.

Mr. Pickersgill: That, of course—

Mr. Fulton: Will my hon. friend let me finish now? The other point is that the two situations are entirely different. In the one we are dealing with the rights of Canadian citizens as Canadian citizens. Here we are dealing with people who have enlisted voluntarily in a force and subjected themselves to a code of service discipline which, of course, is something I do not think my hon. friend would appreciate.

Mr. Pickersgill: May I say that the minister is wrong on both counts. The appeal procedure which I set up when I was minister is the only appeal procedure which exists in the department.

Mr. Fulton: What that has to do with the Royal Canadian Mounted Police Act I do not quite understand.

Mr. Pickersgill: There has been no change whatsoever. I have inquired repeatedly and the appeal procedure I established is still there. It deals with appeals from landed immigrants and it does not deal with appeals from visitors.

Mr. Fulton: On a point of order, the only way to arrest this outflow of ebullience is to raise a point of order—

The Acting Chairman (Mr. McGee): Is the minister rising on a point of order?

Mr. Chevrier: He does not know what he is rising on.

Mr. Martin (Essex East): The minister is the essence of politeness.

R.C.M.P.

The Acting Chairman (Mr. McGee): Order. Is the Minister of Justice rising on a point of order?

Mr. Chevrier: He does not know.

Mr. Fulton: Yes, I was, and I know rather better than my hon. friend.

Mr. Chevrier: Let us see whether you do.

Mr. Fulton: My hon. friend seems to have got out of the wrong side of the bed this morning. I have not taken issue with him. I do not know what my hon. friend is getting so exercised about.

Mr. Chevrier: I am getting exercised about your uncouthness.

Mr. Fulton: You are getting exercised all right. I fail to see what the appeal procedure or any other procedure under the Immigration Act has to do with the Royal Canadian Mounted Police Act which we are discussing clause by clause at this time.

Mr. Pickersgill: On the point of order, I did not begin to discuss the appeal board. It was the hon. gentleman who brought up the subject and I was merely replying to his observations and not going one iota beyond that, nor do I desire to. I now desire to deal with the other misstatement of the minister and I will not go beyond it either. The minister said that in the one case we were dealing with Canadian citizens. The fact of the matter is that we were dealing with non-Canadian citizens, foreigners who desired to come to this country, become immigrants and settlers and possibly citizens, so the minister is wrong about that.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I would like to give the Minister of Justice (Mr. Fulton) the opportunity to practise his French a little. I shall therefore ask my question in French.

Section 13, subsection 2, decrees that the Commissioner of the Royal Canadian Mounted Police may dismiss or discharge a member of the force for various reasons. I wonder if the minister could tell us if there may be an appeal against the commissioner's decision and, if so, why it should not be included in this section.

(Text):

Mr. Fulton: Dismissal, as I have mentioned before, may be upon a number of grounds such as medical unfitness or possibly conviction of a criminal offence. Those are two which come more readily to mind. Any person who feels himself unfairly dismissed from the force may, of course, appeal to the commissioner for a review of the dismissal. The appeal procedure is provided in a later clause of the bill.

[Mr. Martin (Essex East).]

(Translation):

Mr. Denis: Mr. Chairman, in order to give the Minister of Justice (Mr. Fulton) a chance to practise his knowledge of French, I shall make a remark in my own language.

The only objection which the minister seems to have against inserting the words "dismissal for cause" in this section, seems to be that he wants to enable the commissioner to dismiss an officer without cause, for no cause whatsoever! Does the hon. minister not give too much latitude to the commissioner in this way? Let us, for instance, suppose that some day or other, the commissioner feels irritated with an officer. Then, according to this section, he might, without any reason, dismiss that officer though the latter may have signed up for five years.

As I understand it, the expression "engagement for a term of 5 years" does not mean very much, because 24 hours after a man has signed up, the commissioner may, under section 13, for no cause whatsoever, dismiss an officer who thought he was engaged for a period of 5 years.

I fail to understand why the words "for cause" could not be inserted in subsection 2 of section 13. You might mention any reason: because of illness, of politics, because of disability or incompetence; but, to my mind, the expression "for cause" would be enough to allow a commissioner to dismiss such and such an officer it would also give the opposition an opportunity to ask why such and such a person had been dismissed from the Royal Canadian Mounted Police and to obtain an answer.

(Text):

Mr. Fulton: Mr. Chairman, I appreciate very much indeed the opportunity I am being given to exercise my French but since I do not have sufficient command of that language to answer extemporaneously and at length perhaps my hon. friend will forgive me if I take advantage of the simultaneous translation system to answer in my own language.

(Translation):

Mr. Denis: He is getting lazy.

(Text):

Mr. Fulton: The commissioner must always give the reason for dismissal. That is the first point on which my hon. friend is incorrect. The commissioner cannot dismiss on the ground of whim or fancy without assigning a reason. The reason would be because of medical unfitness or because of conviction for this or that offence. The commissioner does not just make a ruling that the man is dismissed. As I have said, a man is entitled to request a review and on such a review there should be reasons given for his dismissal.

Furthermore, while there is no great importance attached to it, in order to keep the record straight I should point out that, as I understood the translation, my hon. friend used the word officer as though to suggest the commissioner could dismiss an officer under these circumstances. I point out that the provision of the clause makes it clear that the powers of dismissal of the commissioner under this clause are confined to members of the force.

Mr. Godin: "Member" seems to be defined to include an officer as well, according to the new definition as it has been explained. Therefore, it could apply to both.

Mr. Fulton: No, if my hon. friend will look at subclause 2 he will see that it says:

> Unless appointed for temporary duty, every member other than an officer shall upon appointment sign articles of engagement for a term of service not exceeding five years, but any such member may be dismissed or discharged by the commissioner at any time before the expiration of his term of engagement.

The reference is to "any such member".

Mr. Brassard (Lapointe): The Minister of Justice was very kind in making what he thought was a reply to my question, but he did not give an answer to my query. I asked him why there was no mention in subclause 2 of clause 13 of the fact there would be an appeal from the decision of the commissioner. Of course, I do not expect that there would be an appeal for health reasons, but for any other reason I do not see why the subclause should not mention that there would be an appeal. The minister did not answer my query about that.

Mr. Fulton: That is covered in the standing orders.

Mr. Crestohl: The minister quite properly explained that the commissioner would not dismiss anyone without cause. He cited some of the reasons why the commissioner might dismiss a constable. If that is the case, and I certainly think it is, why should the bill not say that the commissioner may dismiss a constable, either for cause in a general sense, or for certain specific reasons? A constable is bound by a contract for five years, which he signs, and I think he should be entitled to some protection if he is to be dismissed for what he may believe is an improper cause.

Mr. Fulton: May I point out to the hon. gentleman that while there is an agreement that the constable signs for a term of five years, a constable has a right to purchase his discharge. This happens with regularity.

Mr. Crestohl: Just what does that mean, he can purchase his discharge?

Mr. Fulton: I understand they pay a tariff, if you want to call it that, of $5 a month for the unexpired portion of their term of service. After all, a constable has received a certain amount of expensive training at the taxpayers' expense. It is therefore considered undesirable that he should be allowed to break his contract without penalty, and this is a relatively minor penalty.

The situation, therefore, is not entirely unfair to the constable. I am sure my hon. friend will appreciate, and hon. members who have asked this question will appreciate, that where you have a disciplined force such as this force is and must be on every term of engagement there is what I might call a period of experiment. It may well be found that either the member does not like the force and the conditions of service to which he has bound himself, and he is allowed to purchase his discharge, or that the officers in charge of the force find that, while this was a worthwhile experiment, unfortunately so-and-so is not going to make out well as a constable of the R. C. M. Police. Therefore, rather than have some formal hearing with disciplinary charges, in the sense my hon. friends seem to want to force on us, the commissioner, upon the report of duly qualified officers, makes a finding that this man is unlikely to become a useful member of the force so he dismisses the man from the force. There is no blot on the man's character or record. There is no trial such as would have to be held if the commissioner had to assign a cause. It has been invariably found in organizations of this nature that that is the best way to arrange a separation from the force, and particularly from a force of this kind and character.

Mr. Fortin: Should an applicant be under 21 years of age, for instance, would the force require additional signatures from the parents or tutor of the applicant?

Mr. Fulton: No, I am informed that is not necessary. Perhaps I could supplement the answer I gave earlier with regard to appeals. I said they were covered in standing orders, and I have here paragraph 140 of the rules, regulations and orders of the R.C.M.P. It reads:

> If any member of the force, other than a commissioned officer, should feel himself aggrieved by a recommendation made for his dismissal or discharge from the force, or by a conviction and punishment awarded him under the provisions of section 31 of the act, he may, within 48 hours, appeal to the commissioner in writing, stating in detail his reasons for making such appeal.

Mr. Martin (Essex East): After listening to the minister one would conclude that his interpretation of the clause means that a dismissal or discharge must follow an act by

the commissioner himself. I call the minister's attention to the words in the second subclause, "any such member may be dismissed", but subclause 1 provides that officers of the force hold office during the pleasure of the governor in council.

Now, the commissioner obviously is not the only one who can dismiss the policeman; it must be that the governor in council has authority under this clause to provide for a dismissal. It is one thing to dismiss a police officer at the instance of the commissioner and even there, as hon. members on this side have argued, that dismissal must be with cause, but surely any action taken by the governor in council certainly ought to be on the basis of cause and on the basis of reasons given. There is nothing in this clause that would restrict the governor in council from exercising powers which he may want to exercise for one reason or another. The officer in question may have taken some action that is contrary to what the government feels, in its interests, should have been taken, or for some reason or another may want to dismiss the policeman. If there is strong ground, as I believe there is, for arguing that no dismissal by the commissioner shall take place without cause, I submit that there is a much stronger argument for insisting that whatever action may be taken by the governor in council must be taken with cause.

The minister may argue that subclause 1 does not mean what I say it means, namely that the governor in council is not given any powers under this clause to dismiss the individual concerned. However, subclause 1 can only have one meaning, that is that the governor in council has authority to dismiss. I suggest that the Minister of Justice, with his well known love for safeguarding the individual and the subject, should not in this particular instance endow the governor in council with powers which, when the minister sat on this side, he was so fond of reminding us the governor in council should not possess.

Mr. Denis: Mr. Chairman, I move the following amendment:

That paragraph (2) of clause 13 be amended by adding after the word "discharged" in the fourth line thereof the words "for cause".

The Acting Chairman (Mr. McGee): Is the house ready for the question?

Mr. Fulton: Mr. Chairman, I think I must say, simply on the basis of the discussion so far, that no good reason has been advanced for the insertion of those words. I point out that the insertion of such words would make it impossible to dismiss a man by reason of medical unfitness or other physical disqualifications; they are wide enough to make it impossible to discharge such persons. Therefore I must oppose the amendment.

Mr. Martin (Essex East): Would the minister give consideration to the suggestion I made? Does he think it has any merit? If not, will he say so with his characteristic peremptory quality?

Mr. Creaghan: Mr. Chairman, may I have a word on this amendment? I have been somewhat concerned with this clause but I cannot agree that the amendment would have the effect of creating any problem, as I see it. Certainly the commissioner, as the officer in charge of a police force, must have a great deal of authority over his men, similar to that we expect to see in other government departments. My opposition to the clause as it was originally drafted is that I believe senior members of the force should be given some protection, and if the minister will consider adding the word "first" in the fifth line, it would then read:

—the commissioner at any time before the expiration of his first term of engagement.

In other words, if a man is found unacceptable, that fact would become known during his first five years of engagement, and I think the minister should give some consideration to limiting the commissioner's powers by leaving him the authority, providing it is restricted to the first five years of service.

Mr. Crestohl: Mr. Chairman, if the hon. member who has just resumed his seat would move an amendment to that effect, I would be pleased to second it.

The Acting Chairman (Mr. McGee): I think we should dispose of the amendment before the committee before proceeding to any discussion on other proposed amendments.

Mr. Herridge: Mr. Chairman, I am just getting up to repeat the remarks of the hon. member for Cartier. We would be very pleased to second such an amendment if it were moved at the appropriate time.

Mr. Chevrier: Mr. Chairman, if I may say a word on this amendment, cannot the minister give some better reason than he has already advanced for opposing the amendment moved by the hon. member for St. Denis? After all, it seems it is not a word which is superfluous. The minister has said that he would be precluded from dismissing someone because of medical unfitness, but it seems to me that does not apply because "for cause" certainly would cover medical unfitness. I

wonder whether the minister would reconsider the position which he took and perhaps accept the amendment as it is?

Mr. Montgomery: Mr. Chairman, just in case this comes to a vote, I want to put myself on record as being against any such amendment. Any member who has any experience with a disciplinary force would not want that amendment and would not want those words in there. So I for one will vote against the amendment.

Mr. Fulton: Mr. Chairman, I have been asked a direct question, and I think I would have to rest upon the provisions of paragraph 140 of the standing orders, which I have already read and I will now read again. It provides that any member who feels himself aggrieved by a recommendation made for his dismissal or discharge may within forty-eight hours appeal to the commissioner in writing stating in detail the reasons for making such appeal.

I have indicated that in my view the standards of conduct of this force and the standards of discipline and of honour insisted upon by the officers in charge of the force are such that to vary this provision would strike a serious blow at the whole standing of the force. I have been at pains to explain that it is not a one-sided situation. A man who joins the force and finds he does not like the code of discipline, or any other aspect of the service, may without any grievous penalty sever himself from the service. By the same token I think it must be left available to those in charge of the administration of this force, if they find a man not suitable for the standards of physical, moral or other disciplinary conduct which they lay down to say, "Well, we regret you are not able to make the grade, and therefore without any blot on your service or any formal inquiry or charge being laid we dispense with your services."

To accept the amendment proposed by the hon. member would mean that there would have to be an inquiry, as I understand it, of a formal charge, and therefore a man whose severance from the force would be in the best interests of all concerned could not go out except upon the basis of having a blot on his record. I think that would be a very undesirable and unfortunate principle to introduce into the code of service of a force such as the R.C.M. Police.

Mr. Crestohl: Mr. Chairman, I think the minister has made a very sound, logical and plausible explanation, but I would like to refer to section 140 of the standing orders which he read, when he spoke about the right of an appeal. Does that also apply to all constables of the force, or to officers only?

Mr. Fulton: That applies to any member who feels himself aggrieved by a recommendation made for his dismissal. It applies to members other than commissioned officers.

Mr. Roberge: Is it not a fact that these regulations from which the minister quoted are regulations which may change from time to time, and therefore would the minister not consider adding the words "for cause" in the bill?

Mr. Fulton: Regulations are made and published only with the authority and approval of the governor in council.

Mr. Roberge: But they may be changed.

Mr. Fulton: Yes, they may be changed, it it is true, but only with the approval of the governor in council.

Mr. Herridge: Mr. Chairman, I have listened to this discussion very carefully and listened to the minister's explanation, but I cannot yet see why he cannot accept the amendment. Because even if a person were dismissed or discharged for cause, that cause may be illness or unsuitability, and the language of the bill is quite fair to the individual and would not necessarily mean, as far as I can see, a blot upon his character.

Mr. Denis: Any good cause.

Some hon. Members: Question.

The Acting Chairman (Mr. McGee): Is the committee ready for the question?

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, before the question is put, I would like to point out to the minister that he has not answered the question of the hon. member for Megantic (Mr. Roberge). The hon. member for Megantic would like to know if regulations are not changed from time to time. The minister answered that they were, but subject to the assent of the governor in council. Even if such changes are subject to the assent of the governor in council, it remains that regulations are changed from time to time, and that they can do what they want.

I shall therefore ask the minister to give us some explanation on this matter.

(Text):

Some hon. Members: Question. Question.

(Translation):

Mr. Brassard (Lapointe): No, Mr. Chairman, I want an answer to my question and I wish to point out that the minister has not answered the question of the hon. member for Megantic.

(Text):

Some hon. Members: Question.

Mr. Brassard (Lapointe): No. I want an answer to my question.

Mr. Fulton: I had not understood that the hon. gentleman was asking a question. I understood him to be making an observation. His observation was that he did not agree with what I said or that he did not like it. I am sorry, but I do not attempt to dictate the hon. member's likes and dislikes. If he does not agree with what I have said, I am sorry about it, but that fact does not cause me to change my opinion. This matter has been carefully considered. This is a provision that has been in the legislation for some time. It is a matter about which I have concerned myself for some time in order to assure that there is no unfairness. It is safeguarded in the regulations. It is true that the regulations may be changed with the approval of the governor in council.

I do not think I can do any more than I have already done by way of explanation of the reason for this provision.

My hon. friend wants to insert the words "for cause". I pointed out that the words "for cause" have a definite meaning in law. That meaning in law goes far beyond the type of situation which may arise under which it is in the best interests both of the individual concerned and the force itself that he should be separated from the force. I am sorry, but with the best will in the world may I say that I cannot accept the amendment because, in my submission, it strikes at the very roots of what we describe as a disciplined force. For that reason I cannot accept the amendment.

The Acting Chairman (Mr. McGee): Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Denis) negatived: Yeas, 19; nays, 72.

The Acting Chairman (Mr. McGee): I declare the amendment lost. Shall clause 13 carry?

Mr. Roberge: On clause 13(1) may I say this. We have heard the hon. member for Bonavista-Twillingate and the hon. member for Essex East urging the minister to change the wording of that subclause inasmuch as we should like to have the officers appointed during good behaviour instead of during the pleasure of the governor in council. I therefore move the following amendment:

That subsection 1 of section 13 be amended by deleting the words "the pleasure of the governor in council" and by inserting after the word "during" the words "good behaviour".

The Acting Chairman (Mr. McGee): The committee has heard the question.

Some hon. Members: Question.

[Mr. Brassard (Lapointe).]

The Acting Chairman (Mr. McGee): Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Roberge) negatived: Yeas, 18; nays, 73.

The Acting Chairman (Mr. McGee): I declare the amendment lost. Shall clause 13 carry?

Clause agreed to.

Clause 14 agreed to.

On clause 15—*Oath.*

Mr. Roberge: Is there any difference between this clause 15 and the former section 15 of the act?

Mr. Fulton: I think the two are exactly the same. Clause 15(1) and (2) are exactly the same as section 15(1) and (2) of the present act.

Mr. Roberge: Subclause 3 is deleted?

Mr. Fulton: Yes; clause 3 is deleted.

Mr. Crestohl: An officer or constable must take two oaths. One is the oath of allegiance and the other is an oath of office. That requirement, I imagine, indicates in this indirect fashion that only a British subject can be a member of the force. Am I right in my understanding?

Mr. Fulton: That is correct.

Mr. Crestohl: Then can the minister inform the committee whether the force sometimes avails itself of the services of men who are not even residents of Canada?

Mr. Fulton: Mr. Chairman, the force makes use, particularly in overseas posts, of civilian employees who of course are not members of the force. My hon. friend will note that this clause relates only to members of the force. It is only members of the force who are required to take these two oaths.

Mr. Crestohl: Would those persons take only one oath?

Mr. Fulton: No. They are not members of the force at all.

Mr. Crestohl: Do they take any oath?

Mr. Fulton: Those civil servants, of course, would be required to comply with whatever provisions are laid down in the Civil Service Act. This clause relates only to members of the force.

Clause agreed to.

On clause 16—*Authority where commissioner absent.*

Mr. Roberge: I note that in section 11 of the former act there is only one paragraph.

In this clause there are two paragraphs. Will the minister indicate the substantial difference, if any?

Mr. Fulton: I think the only difference is the addition in subclause 2 which provides that in the event the commissioner and all the deputy commissioners are absent or unable to act the senior assistant commissioner is granted control and management of the force for the time being. This is a provision added out of an abundance of caution in case the rare event should happen that all the officers mentioned in subclause 1, who are the same officers mentioned in section 11 of the old act, should be absent or unable to act.

Clause agreed to.

On clause 17—*Justices and peace officers.*

Mr. Roberge: I take it this is almost the same as section 12 of the present act except that the phrasing is different?

Mr. Fulton: That is correct, yes.

Clause agreed to.

Clause 18 agreed to.

On clause 19—*Municipal by-laws.*

Mr. Roberge: Would the minister consider standing this clause together with clause 20 as agreed before recess?

Mr. Fulton: Yes, Mr. Chairman. That was an arrangement I made with my hon. friends and particularly at the request of the hon. member for Bonavista-Twillingate who has to be absent this evening. I agreed that if we reached these two clauses we would request the committee to allow them to stand.

The Acting Chairman (Mr. McGee): Is it the pleasure of the committee to give unanimous consent to allowing clauses 19 and 20 to stand?

Some hon. Members: Agreed.

Clauses 19 and 20 stand.

Clauses 21 to 24 inclusive agreed to.

On clause 25—*Offences.*

Mr. Roberge: This is a long clause containing a number of subclauses. Would the minister indicate subclause by subclause if there are substantial changes from the present act?

Mr. Fulton: The offences provided by the present act which have been eliminated from the proposed bill are subclauses (c), (d), (m), (n), (s), (v), (w) and (x). I should point out that all the subclauses I have referred to, although they do not appear in the new clause 25, are made minor offences. The intention is to include them in the regulations. I explained this afternoon that only those offences outlined in the act from now on will be regarded as major offences. All offences against provisions of the regulations and standing orders will be regarded as minor offences. We have removed from the act the subclauses I have mentioned but they will be reincorporated in the standing orders and regulations and any infraction thereof will be a minor offence from there on.

Mr. Herridge: I have two questions to ask the minister. The first is with respect to subclause (d) which reads:

> Every member who—
>
> (d) directly or indirectly receives or solicits any gratuity or reward without permission of the commissioner; or any bribe.

This seems a rather immoral clause. Under what circumstances would the commissioner of mounted police instruct a member of the force to receive a bribe?

Subclause (j) reads:

> Every person who—
>
> (j) makes an anonymous complaint to the commissioner or to the government of Canada or any province or any department thereof, or to any minister of the crown or member of parliament or a provincial legislature;

Would that subclause include a member of the Royal Canadian Mounted Police who was a constituent of a member of parliament who might wish to write a letter to his member of parliament about a matter that concerned him?

Mr. Fulton: I regret to say I do not understand the hon. member's question. I understood him to raise a question concerning subclause (d) and he concluded by asking about members of the force who write to their members of parliament. I do not understand the connection.

Mr. Herridge: I know the microphone does not work very well in this corner and possibly I am not working very well either. Would subclause (j) prevent a member of the force writing to his member of parliament about a matter that concerned him?

Mr. Fulton: I think that is quite clear, yes. That has been a long standing provision of the act with regard to members of the force.

Mr. Herridge: Does that mean a member of the force could not write to his member of parliament about some legislation about which he was concerned not connected with his duties as a member of the force or with the present act?

Mr. Fulton: Surely it is quite clear that if the member of the force signs his name then

there is no offence. The offence here lies in making an anonymous complaint.

Mr. Herridge: That is the information I sought.

Mr. Crestohl: Mr. Chairman, who would be prosecuted for writing an anonymous letter?

Mr. Fulton: A member of the force who was detected in that course of conduct.

Mr. Herridge: The minister did not fully answer my question as far as I could hear. With respect to subclause (d) under what circumstances would the commissioner of the Royal Canadian Mounted Police give a member of the force permission to take bribes?

Mr. Fulton: My hon. friend will know that he has misread the subclause. It reads:

Every member who—
(d) directly or indirectly receives or solicits any gratuity or reward without permission of the commissioner, or any bribe;

Therefore the permission of the commissioner can relate only to the receiving of a gratuity or a reward. It is obvious from the wording of the subclause that the permission of the commissioner could not relate to the receiving of a bribe.

Clause agreed to.

Clauses 26 and 27 agreed to.

On clause 28—*Custody.*

Mr. Roberge: In subclause 2 of clause 28 I note for the first time in the bill before us there is reference to a commanding officer. Would the minister explain exactly what is meant by a commanding officer?

Mr. Fulton: The commanding officer would be the senior officer at the divisional or subdivisional level.

Clause agreed to.

Subclauses 29 to 33 inclusive agreed to.

On clause 34—*Trial.*

Mr. Roberge: Subclause 3 of clause 34 reads:

An accused may be represented and assisted at his trial by another member and if the accused requests that he be so represented and assisted, his request shall be granted.

Will the minister consider allowing a member of the force, or an officer to be represented by a lawyer at his trial at his own expense?

Mr. Fulton: This was considered and discussed with the commissioner but it is considered it would not be feasible to permit members of the force on trial within the force to be represented by a lawyer, because of the nature of the circumstances surrounding the alleged offence. It might well be that the circumstances of the offence were such that they could not be divulged to another person not a member of the force.

Mr. Roberge: Mr. Chairman, if I am not wrong, there are some lawyers within the force.

Mr. Fulton: There are some members of the force who have been trained, yes.

Mr. Roberge: Who are lawyers or who have legal training. Would it not be a good thing to put in this clause:

An accused may be represented and assisted at his trial by another member who has legal training.

Mr. Fulton: The subclause says:

An accused may be represented and assisted at his trial by another member and if the accused requests that he be so represented and assisted, his request shall be granted.

And certainly every effort will be made. I would think that—unless there was some absolute physical impossibility—if the member specified any member of the force who was a lawyer, that request would be granted if at all physically possible.

Mr. Roberge: This clause shall be construed in such a way that the accused member has a choice of the member who can assist him?

Mr. Fulton: Yes, within the limits of the exigencies of the circumstances.

Mr. Fortin: The subclause reads:

The accused shall be brought before the officer who is to try the offence.

I should like to know—

(Translation):

—if the rank of officers is considered? Is it a senior officer who hears those cases or any other designated officer?

(Text):

Mr. Fulton: In the case of a major offence, it would be an officer especially designated by the officer to try the offence. In the case of a minor offence, it would be any commanding officer, any officer at the divisional or subdivisional level; but in the case of a major offence, it would obviously be a very senior officer who would be appointed as the officer to hold the trial.

Mr. Fortin: Would this senior officer be an officer trained in legal matters, a lawyer, or a man who had some training in law?

Mr. Fulton: He would be an officer who had been thoroughly and completely trained in police matters and, as a result of that training and experience in such matters, would have acquired a good deal of legal knowledge, because my hon. friend will appreciate that a good deal of the training of R.C.M. Police members—and officers are promoted from members—indeed all R.C.M. Police officers have to know how to conduct trials or to conduct cases before the courts of the land

and therefore, in the course of that experience, such an officer would acquire a great deal of practical legal knowledge.

Mr. Forgie: Subclause 3 says:

An accused may be represented and assisted at his trial by another member.

There is nothing in this subclause to prevent an accused from employing a solicitor or a lawyer.

Mr. Fulton: The subclause merely provides that an accused may be represented and assisted by another member of the force.

Mr. Forgie: That is not what it says. It says:

An accused may be represented and assisted at his trial by another member and if the accused requests that he be so represented and assisted, his request shall be granted.

This does not preclude the appointment of a solicitor to appear on his behalf, surely.

Mr. Fulton: It does preclude the appointment of a solicitor who is not a member of the force because, as I pointed out, there are a number of members of the force, and there will be increasing numbers, who also have legal qualifications.

Mr. Crestohl: This is rather a difficult clause. Is defence counsel especially assigned to a member who is under an accusation?

Mr. Fulton: No defence counsel in the ordinary sense of the word, if my hon. friend is using the expression to mean lawyers retained from outside of the force. I have explained that a member may be represented and assisted by another member of the force if he desires, but because of the nature of the information that may be involved in the charge and in the surrounding circumstances, it is simply not possible to provide generally that members charged with an offence may be represented by counsel from outside the force.

Mr. Crestohl: I understand that very well; it is quite right, but does the force not appoint a defence counsel to give the accused the benefit of having the best legal service which he may desire, assuming that there is no member of the force who has legal training? Is he then left without any legal services? I understand that in the army and in the air force outside counsel are appointed. I can understand why outside counsel should not be brought into this, but certainly the force should have men trained in the law who can appear in a court which is the equivalent of a court martial, since it is a trial by officers of the force. Adequate defence counsel should be provided.

Mr. Fulton: I am sure that my hon. friend, with his broad experience, must have seen many occasions when members, sergeants, staff sergeants and even corporals and the like, have appeared and conducted themselves very competently in the criminal courts of the land. As I said, in addition to that, which is a normal part of police training and usage, and which is the basis on which our members get much experience in court work, we have a number, and the number will increase, of members of the force who are qualified as solicitors, but they are also members of the force. I make this general observation now. The legislation provides that a member charged with an offence under this clause may be represented and assisted by a member if he so requests. The member must still specify the other member who he wishes to have assist him, and in every case, unless it is a physical impossibility, that request will be complied with.

Mr. Crestohl: Is the other member of the service so requested duty bound to accept the brief in advance?

Mr. Fulton: He would be detailed.

Mr. Hanbidge: Mr. Chairman, I should like to ask the minister whether this is something new, because I remember appearing for a mounted policeman about 25 or 30 years ago when he was charged?

Mr. Fulton: The provision is new, yes. As I said this afternoon, we have provided something new here; thus, we have written into the legislation and given a statutory basis for the rights of the member of the force charged with an offence under the act. This is the first time this has been done.

Mr. Hanbidge: So far as the penalty or punishment is concerned, would the minister be in favour of saying that the accused constable would have the right to the best legal assistance he could get?

Mr. Fulton: From among the force, yes. That is provided here.

Mr. Hanbidge: That is just within the force.

Mr. Fulton: Yes, for the reasons that I have explained. We have plenty of members in the force who have very extensive legal experience.

Clause agreed to.

On clause 35—*Sentences.*

Mr. Roberge: When I was in the army a soldier who was tried could address the court after he was found guilty and before sentence was passed. Was a like system studied by the force in connection with this clause?

Clause 35 provides that if the presiding officer finds the accused guilty of the offence he may sentence the accused to punishment. There is no provision for the accused to have the opportunity to address the trial officer in order to seek a lighter sentence.

Mr. Fulton: I think this must be read with the preceding section which says that an accused may be represented and assisted at his trial by another member. I would think it would be most unusual if the presiding officer did not give the accused or his representative the right to address the court before sentence was passed. It will be noted that we have provided in subclause 6 of clause 34—again this is new because we felt it appropriate to write it into the act for the first time—that the rules of evidence at a trial shall be the same as those followed in proceedings under the Criminal Code, and while it is not specified here I think it would be normal that the presiding officer would grant that right. I would suggest that if we find that at such trials these rights are not given we would then consider the necessity of writing it into the act, but certainly it would be our view that all those procedures normally followed at criminal trials should be followed in trials under this part.

Mr. Herridge: I wish to express the same fear as has been expressed by the member who spoke before the minister. Under this clause the presiding officer is prosecutor, judge and jury. The minister suggests that if they find from experience that this does not work they will consider remedying it but I think this sort of thing should be written into the legislation in order to protect the rights of the individual rather than wait for experience to prove it necessary.

Clause agreed to.

On clause 36—*Punishment for major offence.*

Mr. Maloney: Mr. Chairman, with respect to clause 36, subclause 1, I wonder whether the minister, through his advisers, could furnish us with any information at all, even approximately, as to the number, if any, of members of the force who were punished by imprisonment within the last two or three years.

Mr. Fulton: I am told that I am on dangerous ground in giving any estimate at all but that it would be not more than five in a year out of a force of some 5,500.

Mr. Maloney: What I really wanted to know was whether there in fact had been any and that answers my question. It strikes me, with great respect, that the vesting of the power of imprisonment in officials such as presiding officers, untrained as they would be in the law and having in mind the fact that the accused has not the benefit of any real counsel for the defence in the sense of counsel at the bar, has potential dangers inherent in it. The powers seem to be akin to the powers conferred upon the military, which, of course is understandable, but which I dislike to see imported into an organization such as the Royal Canadian Mounted Police. Would the minister consider the possibility of studying the matter I have raised with a view, at some later date, to conferring back upon the courts the power that this section vests in a presiding officer?

Mr. Fulton: I appreciate the feeling behind my hon. friend's remarks. I point out to him that this whole group of sections constitutes, in so far as procedure is concerned, a broadening of the powers of review and a liberalizing of the procedures which have hitherto been applicable. I point out to my hon. friend that clause 36 to which he has referred relates only to major service offences. The penalties outlined in the clause are no more severe than those which have hitherto been applicable for such offences and it is provided by a later clause, because of the very thoughts which the hon. member has expressed, that every such sentence shall now be subject to review by a board of review. This is quite new. The board of review is appointed by the minister and every such sentence, no matter what the actual nature may be, whether it be a term of imprisonment or a fine or loss of pay, is now subject to review by a board of review which is a procedure not previously available to the convicted person. We have taken a very appreciable step forward toward ensuring that there will not be an arbitrary, unjustified and harsh sentence imposed not warranted by the nature of the offence.

Mr. Crestohl: Can the minister tell the committee whether the procedure would be the same in the event of a capital offence within the ranks of the force?

Mr. Fulton: That would be a criminal offence and without question would be tried in the criminal courts. We would not attempt to try that by a service court.

Mr. Crestohl: Even though the offence was committed within the ranks? There would be no fear that some evidence might be disclosed which the force would not want disclosed?

Mr. Fulton: We would not have any jurisdiction. The only offences which we have jurisdiction to try in the service court are those enumerated in clause 25 and murder is not one of them.

Clause agreed to.

On clause 37—*Damage or restitution.*

Mr. Roberge: Subclause 4 of clause 37 reads as follows:

Where a person has been convicted of a service offence, the officer presiding at the trial may order that any article by means of which the offence was committed be forfeited, and any article so ordered to be forfeited may be disposed of as the commissioner directs, but any money—

This is the part I am concerned with.

—or the proceeds of any property shall be paid into the consolidated revenue fund.

This clause deals with money raised by disposing of property. Under subclause 3 of clause 23 a benefit trust fund is established. I wonder why under this clause the money should be paid to the consolidated revenue fund while under the other clause it is paid to the benefit trust fund.

Mr. Fulton: The reason is that the benefit trust fund is a very ancient and well established fund of the force into which are paid the amounts specified in clause 23 which sets it up. Actually it does not set it up but continues it from the former act. Subclause 4 of clause 37 is a new provision and relates to property that has been used for the commission of a crime. It is considered hardly appropriate that the moneys, if any, recovered from the disposition of such property should be paid into the benefit trust fund but rather should be paid into the consolidated revenue fund. It is not one of the items considered as an appropriate source of moneys to be paid into the benefit trust fund.

Mr. Roberge: Inasmuch as the fees, costs and fines paid by the accused are paid into the benefit trust fund, why should the money received from the disposition of property not go there?

Mr. Fulton: As I said, I do not believe it is an entirely appropriate source of revenue for the benefit trust fund. I, and certainly the officers of the R.C.M. Police, are anxious to see the benefit trust fund swell. If the hon. member could carry his point with the treasury board, I would be happy to see it. We have had some difficulty with treasury board in having the benefit trust fund continued at all, so we thought this sort of money should be contributed to the consolidated revenue fund.

Clause agreed to.

Clauses 38 to 40, inclusive, agreed to.

On clause 41—*Appeal.*

Mr. Herridge: This clause 41 reads:

A member who has been convicted of an offence under this part shall be furnished with a written transcript of the evidence at the trial if he so requests, and he may within forty-eight hours after the receipt of the written transcript, appeal to the commissioner by serving on the officer who presided at the trial or on the member's commanding officer, a written notice of appeal setting forth the grounds upon which the appeal is made.

My question is this: Here, after a member can be held, according to the act, at least 30 days before he is tried—

Mr. Fulton: No, we have cut that down, as I explained this afternoon. We have cut down the time within which he can be held without trial, and I think it is 8 days now.

Mr. Herridge: I apologize to the minister. I was in a committee this afternoon and did not hear that. My point is that the 48 hours seems a very short time for a man to have to prepare his appeal. He may not be able to get the evidence together; he may not be able to get the matter prepared and there may be certain circumstances that delay him. It does seem to me that 48 hours is a very short time in which to allow a man to prepare his appeal under this clause. I should like to ask the minister the reason for the short period of 48 hours, and his comments?

Mr. Fulton: I think what my hon. friend does not appreciate is that there is a substantial difference between the notice of appeal and the appeal itself. This is only the notice of appeal and it sets forth the grounds upon which the appeal is made. It is not an elaborate document. It is usually a document of not more than half a page, so it is not difficult for a member to prepare a short statement setting out that he appeals and a summary of the grounds upon which he appeals. It has not been the experience to date anyway that 48 hours is an unreasonably short time within which to require that notice be served.

Mr. Roberge: On that very point raised by the hon. member for Kootenay West, I may say that I had the same thing in mind that 48 hours would not be enough time to allow an accused member to give his notice of appeal. The accused member may be far away in the north or at some remote detachment or he may be sick and the mail delivery may not function properly, not because of the minister but because of the temperature.

Mr. Fulton: I think I can set my hon. friend's mind at rest. Trials for service offences would be held at division or subdivision headquarters. They would not be held away out at a detachment post in the wilderness, in the Arctic, so the affected member would still be at subdivision headquarters.

Mr. Roberge: That is quite true, and I agree with that. If the trial is held at a subdivision office, the member may be only reprimanded, he may only lose seniority, and then

rejoin his old post which may be far away from headquarters. He would receive the written transcript of the evidence there, and he would still have only 48 hours. He would be far away from the subdivision office. At this point, Mr. Chairman, I should like to move an amendment. I move:

That clause 41 be amended by substituting the words "eight days" for the words "forty-eight hours" in line 4 thereof.

The Acting Chairman (Mr. McGee): The committee has heard the amendment. Is the committee ready for the question?

Amendment (Mr. Roberge) negatived: yeas, 16; nays, 51.

The Acting Chairman (Mr. McGee): Shall clause 41 carry?

Mr. Crestohl: Would the minister accept this compromise to satisfy the difficulty that the clause creates? I can understand that a notice of appeal should be given as quickly as possible, and 48 hours appears to be reasonable.

Mr. Fulton: I would be willing to accept 96 hours.

Mr. Crestohl: I want to go beyond that. I want to ask the minister whether he could not leave the 48 hours or 96 hours for the notice of appeal and allow 8 days for the reasons for appeal. It is a simple thing to give a notice of appeal and to say, "I desire to appeal". It is a much more difficult thing to set forth in that document the reasons for your appeal. The reasons given in the document might afterwards be held against the appellant. The appellant may want the benefit of counsel to discuss his reasons for appeal.

If the minister would, therefore, leave the time for notice of appeal at a reasonable period, 48 hours or 96 hours, and would allow the man at least 8 days to submit his grounds for appeal, this might be a reasonable compromise.

Mr. Fulton: I think my hon. friend is also guilty of confusing the notice of appeal and the argument of the appeal itself. I am sure my hon. friend has had broad experience as counsel on appeal cases. I must say that my experience has been that one of the easiest things to draw is a notice of appeal. You simply put in everything you can think of and a lot of things you know you will not rely upon at the hearing of the appeal itself. Then, you send it off. There is not all that difficulty to which my hon. friend refers in filing a notice of appeal, stating briefly the grounds upon which the appeal is based. This is quite a different thing from preparing the case for appeal for which a great deal more time is required and will be given.

Mr. Crestohl: I would agree with the minister if we are dealing with a man who had the benefit of counsel all the time. If that were the case, the minister would be right. I am not confusing the notice of appeal with the grounds for appeal. Here, what is required within the 48 hours is not only giving notice but also setting up your grounds for appeal. This is a very unusual thing for a constable to be able to do as efficiently as it should be done in order to have a proper defence on the appeal.

Mr. Roberge: I have noted that the minister said he would be agreeable to changing the 48 hours to 96 hours. We, on this side of the house, would accept that if the minister would have an amendment moved.

Mr. Fulton: Perhaps we could stand this clause and go on to the next one.

Mr. Roberge: May I call it 10 o'clock?

The Acting Chairman (Mr. McGee): Shall clause 41 stand?

Some hon. Members: Agreed.

Clause stands.

The Acting Chairman (Mr. McGee): Shall clause 42 carry?

Mr. Roberge: It is ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the minister what the business is for tomorrow, and would he give us also the agenda for Thursday and Friday?

Mr. Green: Mr. Speaker tomorrow we shall take the estimates of the Department of Transport, and following that the estimates of the Department of Justice.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on June 2, 1959.

ANSWERS TO QUESTIONS

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

NATIONAL MUSEUM—RESIGNATION

Question No. 264—**Mr. Argue:**

1. Have there been any resignations from the national museum of Canada since February 28, 1959?

2. If so, what were the names of the persons who resigned, what were their positions, how long had they been employed at the museum, and for what reason did they resign?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes.

2. Thomas Edward Lee; human history branch, biologist 3; since June 10, 1950. It was indicated recently to Mr. Lee that, instead of working autonomously and reporting directly to the acting director of the human history branch of the national museum, he would probably be required to follow the usual channels of communication and authority within the branch. Mr. Lee indicated his dissatisfaction with this likelihood and submitted his resignation.

DR. RICHARD S. MACNEISH—PUBLICATION OF ARTICLES

Question No. 288—**Mr. Argue:**

1. Have the publications of Dr. Richard S. MacNeish, presently an employee of the national museum of Canada, ever been criticized in the professional journals?

2. If so, (a) In what North American professional journals have such critical articles appeared since 1950? (b) What was the date of each publication in which a critical article appeared, and the name of the author? (c) What publications of Dr. MacNeish were under criticism in each case, and what was the nature of the criticism?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes.

2. (a) (i) American Antiquity, vol. XVIII, No. 3, January, 1953. (ii) American Antiquity, vol. XIX, No. 2, October, 1953. (iii) Pennsylvania Archaeologist, vol. XXIII, No. 2, July, 1953. (iv) American Journal of Archaeology, vol. 59, 1955. (v) Viking Fund Publications in Anthropology, No. 23, 1956. (vi) Archaeology, vol. 9, No. 4, winter, 1956. (vii) American Antiquity, vol. XXIII, No. 3, 1958, January. (viii) American Antiquity, vol. XXIII, No. 4, 1958.

(b) (i) January 1953—Dr. Fred Wendorf. (ii) October 1953—Dr. W. A. Ritchie. (iii) July 1953—Dr. Edmund S. Carpenter. (iv) 1955—Dr. Gordon F. Eckholm. (v) 1956—Dr. E. Vogt. (vi) Winter 1956—Dr. Robert H. Lister. (vii) January 1958—Dr. William G. Haag. (viii) 1958—Dr. Gordon F. Eckholm.

(c) (i) *Kincaid, A Prehistoric Illinois Metropolis*, University of Chicago Press, Chicago, Ill. 1951. "In spite of the foregoing criticisms, the Kincaid report is a major contribution to archaeology of the Nissippi Valley area."

(ii) *The Archaeology of the Northeastern United States in Archaeology of Eastern United States*, University of Chicago Press, Chicago, Ill. 1952. "In conclusion, in this reviewer's opinion, MacNeish's paper constitutes a distinct contribution to the literature of northeastern archaeology."

(iii) Iroquois Pottery Types: a Technique for the Study of Iroquois Prehistory, national museum of Canada, bulletin No. 124, Ottawa, 1952. "These errors do little to inspire confidence. Yet they do not necessarily destroy the validity of MacNeish's argument which is, quite briefly, that the roots of the pottery styles popular among the 17th century great lakes Iroquois were strongly nourished by local traditions dating back to at least Point Penninsula times. Nor is there reason to doubt the validity of the pottery classification, other than the fact that the whole study is suspect. That the monograph contains some merit, not all of it original, no critic would question."

(iv) An Early Archaeological Site near Panuco, Vera Cruz, American Philosophical Society, Philadelphia, 1954. "Highly detailed and as complex as the problems with which it is concerned, this monograph will be of less interest, perhaps, to those who are not specialists in the American field. But when we have a few more like it, we will begin to have some knowledge of the beginning of civilization in Meso-America."

(v) Prehistoric Settlement Patterns on the Northeastern Periphery of Meso-America, Viking Fund Publications in Anthropology, New York, 1956. "The work of MacNeish on the northeastern periphery is notable not only because of the discovery of early maize in this region but also because of the extent to which it has been possible to sketch in a long development sequence (of the type that is still conspicuously absent in the archaeology of nuclear Meso-America) for the Tamaulipec region. Why we do not get these earlier development levels in Mexico and Guatemala is certainly still something of a mystery, but it is evident that we are coming closer to the core in this able research of MacNeish's, and I hope it will be pursued with vigor."

(vi) An early Archaeological Site near Panuco, Vera Cruz, American Philosophical

Society, Philadelphia 1954. "As a contribution to knowledge of the early archaeology of the Huastec area of Mexico, this report is most significant."

(vii) Prehistoric Settlement Patterns in the New World, Wenner-Gren Foundation for Anthropological Research, New York, 1956. "These shortcomings are not monumental and Prehistoric Settlement Patterns in the New World can form the basis for a truly significant contribution when someone draws the findings into a monographic report."

(viii) An early Archaeological Site near Panuco, Vera Cruz, American Philosophical Society, Philadelphia, 1954. "MacNeish's contribution has been to add materially to our knowledge of the period in one area and to attack with daring and skill the more general problems of the Preclassic. It is a highly significant addition to one of the most important problem areas in Meso-American archaeology."

NORTHERN AFFAIRS AND NATIONAL RESOURCES—U.S. PERSONNEL

Question No. 394—**Mr. Argue:**

1. Are any American citizens presently employed in any capacity in each branch of the Department of Northern Affairs and National Resources? If so, how many?

2. What is the name of each of these persons, the branch of the department in which he is employed, the position each holds, and the duties each is responsible for?

3. What was the date each person was appointed to this position, and by what authority?

4. On what date did each of these persons first enter the service of the government of Canada, what date did they take up subsequent positions, what was the nature of each position and the duties involved, and under what authority were appointments made to each position?

5. How long had each person been a resident of Canada before taking service with the government, what positions had each held prior to this appointment?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes. 5.

2. Barry, T. W., national parks, biologist 1, ornithology; MacNeish, R. S., national museum, biologist 5, archaeology; Langston, W., national museum, biologist 3, palaeontology; Crum, H. A., national museum, biologist 3, national herbarium; Oschinsky, L., national museum, anthropologist 2, archaeology.

3. In same order as set out above: May 17, 1957, Civil Service Commission, Barry, T.W.; June 20, 1949, Civil Service Commission, MacNeish, R. S.; October 20, 1954, Civil Service Commission, Langston, W.; September 20, 1954, Civil Service Commission, Crum, H. A.; September 2, 1958, Civil Service Commission, Oschinsky, L.

4. May 17, 1957, Barry, T.W.; June 20, 1949, anthropologist 3, MacNeish, R.S.; January 1, 1953, anthropologist 4; April 1, 1955, anthropologist 6; April 1, 1956, biologist 4; April 1, 1958, biologist 5; archaeology, on April 1, 1955 in charge of the archaeology section; biologist 3, palaeontology, Langston, W.; biologist 3, national herbarium section, since appointment to museum, Crum, H. A.; anthropologist 2, archaeology section, Oschinsky L.

5. Barry, T. W., no prior residence in Canada; was performing postgraduate studies in ornithology at Cornell University before appointment.

MacNeish, R. S., no prior residence in Canada; director, second Tamaulipas expedition, Mexico, under auspices of Wenner-Gren foundation for anthropological research, New York City.

Langston, W., no prior residence in Canada; lecturer in palaeontology, University of California.

Crum, H. A., no prior residence in Canada; was performing research work at Duke University before appointed.

Oschinsky, L., no prior residence in Canada; visiting lecturer in physical anthropology, University of Arizona.

C.M.H.C. AND N.H.A. LOANS

Question No. 419—**Mr. Garland:**

1. How many direct loans have been made by Central Mortgage and Housing Corporation from (a) January 1, 1959 to May 1, 1959; (b) what were the figures for the same period last year?

2. How many National Housing Act insured loans were made by approved lenders (a) from January 1, 1959 to May 1, 1959; (b) what were the figures for the same period last year?

3. How many applications for loans re-construction of "minimum houses" have been approved by Central Mortgage and Housing Corporation since January 1, 1959 to May 1, 1959 (a) throughout all Canada; (b) in Northern Ontario?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

(1) Direct loans made by Central Mortgage and Housing Corporation:

*(a) January 1, 1959 to April 30, 1959: loans, 2,942; units, 4,458.

(b) January 1, 1958 to April 30, 1958: loans, 140; units, 1,311.

In addition, 7,656 loans for 10,336 units were made by the approved lenders as agents of C.M.H.C. under the small home loans program from January 1, 1958 to April 30, 1958.

(2) Insured loans made by approved lenders:

*(a) January 1, 1959 to April 30, 1959: loans, 9,657; units, 11,162.

(b) January 1, 1958 to April 30, 1958: loans, 8,042; units, 9,454.

(3) Applications for loans approved by C.M.H.C. from January 1, 1959 to April 30, 1959 for the construction of minimum houses (plan No. 2,000 and adaptions thereof).

(a) Throughout all Canada: 137 units.

(b) In northern Ontario: 27 units.

* Figures shown in (1)(a) and (2)(a) are preliminary for April.

NORTHERN AFFAIRS AND NATIONAL RESOURCES—U.S. EMPLOYEES

Question No. 430—**Mr. Argue:**

1. Are there any American citizens presently holding positions in the Department of Northern Affairs and National Resources?
2. If so, how many are there in each branch?
3. Have any of these persons taken the (a) oath of allegiance; (b) oath of office?
4. If so, how many, what are their names, positions, nature of employment, in what branch, and how long have they been employed with the department?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes.

2. One in national parks branch. Four in the national museum of Canada.

3. (a) Yes. (b) Yes.

4. (a) The following have signed the oath of allegiance:

Questions

Crum, H. A.; biologist 3; national herbarium; national museum; since September 20, 1954.

Oschinsky, L.; anthropologist 2, archaeology; national museum; since September 2, 1958.

(b) The following have signed the oath of office:

Barry, T. W.; biologist 1; ornithology; national parks; since May 17, 1957.

MacNeish, R. S.; biologist 5; archaeology; national museum; since June 20, 1949.

Langston, W.; biologist 3; palaeontology; national museum; since October 20, 1954.

Crum, H. A.; (see above).

Oschinsky, L.; (see above).

NATIONAL MUSEUM—RESIGNATIONS SINCE MARCH 12, 1959

Question No. 445—**Mr. Argue:**

1. Have there been any resignations from either branch of the national museum of Canada since March 12, 1959?
2. If so, what were the names of the persons, in what branch were they employed, in what position, how long had they been employed there, and for what reason did they resign?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes.

2. A. W. Cameron, natural history branch, biologist 3, since November 15, 1948, to accept a post at McGill University.

HOUSE OF COMMONS

Wednesday, June 10, 1959

The house met at 11 a.m.

INDUSTRIAL RELATIONS

Second report of standing committee on industrial relations—Mr. Small.

STARRED QUESTIONS

RESOURCE DEVELOPMENT PROGRAM, ATLANTIC PROVINCES

Question No. 94—**Mr. Granger:**

1. Have any measures been taken since March 31, 1958, to implement a national development program of federal assistance for developing the resources of the Atlantic provinces, having regard to their differing needs and varying financial capabilities?
2. If so, what are those measures?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): The answer to the first part of the question is yes. The answer to the second part is that having regard to the differing needs and varying financial capabilities of the Atlantic provinces, a number of important measures have been undertaken to aid them in developing their natural resources. Included in the estimates currently before parliament are the following specific items which are clearly marked as referring to resource development in the Atlantic provinces, and which total more than $40 million.

The answers that follow, Mr. Speaker, cover four pages of single space typing. I am going to ask permission to put this on record as part of my answer. I also point out that this answer is not complete because there are bits of information coming from other departments. Up to five minutes before eleven o'clock this morning this is the answer I had received. It does not include, of course, various plans that we have under way with some of the premiers of the Atlantic provinces.

Mr. Speaker: Do I understand that the rest of the answer refers to items in the estimates?

Mr. Hamilton (Qu'Appelle): Partially, Mr. Speaker.

Mr. Speaker: The minister proposes that this lengthy answer be incorporated in *Hansard* at this point. Is it the pleasure of the house to permit the answer to be given in this way?

Some hon. Members: Agreed.

66968-9—286

(Editor's Note: The information above referred to follows:)

Vote No. 35. Maritime Marshland Rehabilitation Act $2,357,195.

Vote No. 212. Payments in connection with the movement of coal under conditions prescribed by the governor in council $10,089,350.

(S) Subsidy payments under an act to place Canadian coal used in the manufacture of iron and steel on a basis of equality with imported coal (chap. 34, R.S.) $300,000.

Vote No. 213. Subventions in respect of eastern coal under agreements entered into pursuant to the Atlantic Provinces Power Development Act $1,700,000.

Vote No. 352. Toward an investigation to determine the feasibility of constructing a proposed causeway across Northumberland strait, including the opening of a test quarry $250,000.

Vote No. 356. Contribution to the province of New Brunswick toward construction of dam on Tantramar river, N.B. $84,375.

Vote No. 419. Maritime Freight Rates Act $14,100,000.

Vote No. 447. Advances to national harbours board for capital expenditures, Halifax $933,500.

Vote No. 477. Advances in accordance with agreements entered into pursuant to the Atlantic Provinces Power Development Act $11,627,000.

Apart from these, there are many other specific items, particularly in the estimates of the Departments of Public Works and Transport, which relate to the Atlantic provinces. In addition, these provinces share fully in various nation-wide developmental programs, including the fisheries conservation and development program; the trans-Canada highway; the geological, hydrographic and other technical surveys; the facilities of the industrial development bank; the housing activities of Central Mortgage and Housing Corporation; and various argicultural programs.

The geological survey have stepped up their program in the Atlantic provinces. For example, this year they are "fielding" 14 separate field parties out of 77 for the whole of Canada. This represents roughly 18 per cent of their total effort.

Starred Questions

The government has also offered to share in the capital cost of transmission lines related to the proposed development of bay d'Espoir, Newfoundland.

The two most substantial measures, in terms of the magnitude of financial assistance, come under the Department of Finance. These are the Atlantic provinces adjustment grants, which provide $25,000,000 a year for four years, and the loan to New Brunswick in respect of the Beechwood power project, amounting to $29,500,000.

During 1958-59, the Department of Agriculture spent $1,421,282 on more than 35 projects in Nova Scotia and New Brunswick designed to protect agricultural lands from tidal flooding. Expenditure for the same purpose in 1959-60 are estimated at more than $2,300,000 as indicated above under item 35 covering the vote for the Maritime Marshland Rehabilitation Act. The Department of Agriculture has also extended increased aid to the Atlantic provinces on lime assistance and freight assistance as outlined below:

The lime assistance policy was changed on March 4, 1958, under authority of P.C. 1958-6/336, to cover 60 per cent of provincial lime assistance costs without the per ton maximum of $1.50 which applied previously. This has resulted in the following increased tonnage and assistance over the previous year.

	1957-58		1958-59	
	Tons	Federal Assistance	Tons	Federal Assistance
Newfoundland	2,607.71	$ 3,911.35	4,476.30	$ 32,944.33
Nova Scotia	46,831.45	70,217.84	73,649.75	101,291.85
Prince Edward Isld.	24,260.56	36,390.68	29,609.81	53,387.02
New Brunswick	32,129.62	48,194.42	41,070.92	85,694.09
	105,829.34	$158,714.29	148,806.78	$273,317.29

The freight assistance policy was also changed on November 27, 1958, under authority of P.C. 1958-1628 effective December 1958, to provide subsidy on all but 5 cents per 100 lbs. of the increase in freight rates applicable on feed grains and millfeeds to the Atlantic provinces.

FREIGHT ASSISTANCE PAID

	1957-58		1958-59	
	Tons	Federal Assistance	Tons	Federal Assistance
Newfoundland	16,631	$ 396,554.54	16,285	$ 399,633.89
Nova Scotia	130,359	1,903,239.40	133,103	2,063,146.30
Prince Edward Isld.	21,012	306,775.20	25,697	394,946.20
New Brunswick	72,469	970,984.60	88,633	1,254,356.90
	240,471	$3,577,553.74	263,718	$4,112,083.29

Under the Department of Northern Affairs and National Resources there have been several important measures of assistance to the Atlantic provinces. For example, since March 31, 1958, financial aid was provided for the development of camp ground and picnic sites during the months of April and May, 1958 and again during the winter of 1958-59, commencing November 1. In addition, assistance was offered in the development of camp grounds and picnic sites along the trans-Canada highway.

Of particular benefit to the Atlantic provinces is the $150,000,000 roads to resources program initiated by this government. The terms of this program have been broadened to include the tourist industry as a resource so that the Atlantic provinces may benefit fully from the federal financial assistance available. The cost sharing formula has also been made more flexible to meet the differing needs and varying financial capabilities of these provinces. In the four Atlantic provinces, the program is expected

to produce approximately 1,500 miles of roads and federal assistance will total some $30,000,000.

The Saint John river board was set up on 24 March 1959 by agreement between the governments of Canada and New Brunswick for the purpose of making basic studies regarding the best use of the water resources of the Saint John river basin in Canada. The primary purpose of the study is to determine the effect on the existing and potential developments and on other water uses in New Brunswick of storage possibilities in the Saint John river basin, particularly those storages on the upper Saint John in the state of Maine which are being studied by the international Passamaquoddy engineering board in relation to the proposed Passamaquoddy tidal project. While the primary purpose of the study is directed towards the effect of storage development on the power picture in the province, the effect on other water uses, such as flood control, navigation, pollution abatement, fish and wildlife preservation and the possibility of the reduction of the silting problem in Saint John harbour is to receive careful consideration as well. The board's report is due on 30 June 1960 and the estimated cost of this investigation is $150,000 which will be shared equally between Canada and New Brunswick.

Finally, on October 30, 1958 the federal government offered to the provinces financial assistance for the construction of forest access roads and trails for the period November 1, 1958 to June 30, 1959. In the Atlantic provinces, Newfoundland, Nova Scotia and New Brunswick have signed agreements with the federal government which provide for a federal contribution of 50 per cent of expenditures made or wages paid whichever is the lesser. The amount of the federal payment is not limited in any manner other than the above-mentioned condition.

The following table shows the estimated total provincial expenditure and the estimated federal share for the above mentioned period.

Province	Provincial Expenditure	Federal Share
Newfoundland	$125,000	$ 62,500
Nova Scotia	86,344	43,172
New Brunswick	20,000	10,000
	$231,344	$115,672

ATLANTIC PROVINCES—ESTABLISHMENT OF CROWN CORPORATIONS

Question No. 99—**Mr. Pickersgill:**

1. Have any crown corporations been established since March 31, 1958, to promote industrial decentralization in the direction of the Atlantic provinces?
2. If so, how many and for what purposes?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government has been able to deal effectively with the responsibilities in regard to the Atlantic provinces without establishing new crown companies for the purpose mentioned, although it should be noted that one crown company, the industrial development bank, has opened a new branch in New Brunswick for this purpose during the period.

Mr. McIlraith: Then the answer to the question is no?

NEW BRUNSWICK—REPAYMENT OF BEECHWOOD LOAN

Question No. 101—**Mr. McWilliam:**

1. What payments of (a) principal; (b) interest accrue due during 1959, on account of the $29.5 million Beechwood loan to the province of New Brunswick?
2. On what date, or dates, are these payments due?
3. Have any such payments on this loan been made to date?
4. If so, on what date, or dates, and in what amounts were payments made as to (a) principal; (b) interest?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the answer to part 1(a) is $3,215,858.49. The answer to part 1(b) is $1,143,125.

The answer to part 2 is April 8, 1959.

The answer to part 3 is yes.

The answer to part 4 is April 8, 1959 in the amounts set out in the answer to part 1.

QUESTION PASSED AS ORDER FOR RETURN

JEAN C. LESSARD

Question No. 447—**Mr. Argue:**

1. Is a Mr. Jean C. Lessard presently employed with the St. Lawrence seaway authority?
2. If so, what position does he hold?
3. What positions has he held since first entering government service, what was the nature of each, date of appointment, length of service, salary, and expenses submitted yearly?
4. Was Mr. Lessard appointed to any of these positions through a civil service competition?
5. If so, to which ones, what was the number and date of the competition, how many persons competed, what names were on the eligible list and in what order?
6. If not, under what authority was Mr. Lessard appointed to each, and by whom was he recommended?
7. What qualifications did Mr. Lessard possess for each of the positions he has held?

MOTIONS FOR PAPERS

RADIO STATION CJON, ST. JOHN'S NFLD.

Motion No. 119—**Mr. Argue:**

For a copy of all correspondence, telegrams, reports and other documents, exchanged between

any federal government department, any cabinet minister, and radio station CJON St. John's, Newfoundland, since January 1, 1953, regarding the use of the station facilities and/or any financial transaction.

Hon. George C. Nowlan (Minister of National Revenue): The government is prepared to accept this resolution subject to the usual reservations, and also subject to the availability of the documents referred to going back to 1953.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the reservation expressed by the minister?

Motion agreed to.

DAWSON CREEK, B.C., AIRPORT

Motion No. 121—**Mr. Regier:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and municipal governments and/or individuals, since January 1, 1956, regarding the airport at Dawson Creek, British Columbia.

Motion agreed to.

PROPOSED CONSTRUCTION OF ATOM SMASHER

Motion No. 122—**Mr. McIlraith:**

For a copy of the correspondence exchanged between the Minister of Trade and Commerce and the Canadian Association of Physicists since January 1, 1958, in connection with a proposal to construct in Canada an atom smasher.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, this is satisfactory. The more precise language of the Canadian Association of Physicists was "high energy laboratory" rather than the phrase "atom smasher".

Motion agreed to.

INDIAN AFFAIRS

SALE OF LAND, SARNIA—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I beg leave to move the adjournment of the house under standing order 26 to discuss a definite matter of urgent public importance, namely the failure of the Minister of Citizenship and Immigration as disclosed in the agreement with Dimensional Investments Limited to protect the interests of the Sarnia band of Indians by entering into an agreement for the sale of Indian lands at approximately $2,000 an acre which were resold immediately to Ontario hydro at approximately three and a half times the price received by the Indians, resulting in an immediate profit to Dimensional Investments Limited of between $800,000 and $900,000.

[Mr. Argue.]

Mr. Speaker: May I ask the hon. member if he can inform me whether the agreement referred to has been tabled in the house?

Mrs. Fairclough: Yes, Mr. Speaker.

Mr. Speaker: I should like to have some assistance in this matter. Certain points occur to me to which I would ask members to direct their remarks. First, the matter of urgent public importance appears to involve the sale of the property of a band of Indians and therefore is somewhat local in character, affecting the property rights of certain individuals and not the public generally. Second, the question occurs to me whether this is an administrative responsibility. The Indian Act provides, of course, for jurisdiction over such matters by a minister of the government, but I am not familiar enough with the details to know whether the sale is one which is made by the Indians themselves or by the government. Then, of course, there is the further question of urgency of debate. My recollection is that this matter was extensively discussed in the press last week and earlier, and that may have a bearing on whether there is urgency of debate which would warrant the interruption of our proceedings.

Mr. Pickersgill: Mr. Speaker, perhaps I could say a word on these points since I am asking leave—

Mr. Speaker: I think I should hear the hon. member who is presenting the motion. Will he direct his remarks to the points I have raised, or any other arguments which he thinks support the motion?

Mr. Pickersgill: That is precisely what I was proposing to do. On the first point, whether this is a matter of national importance, of course the superintendent general of Indian affairs is a trustee for the Indians, and the sale was made by the minister, or by the crown, and the minister was agent for the crown. There can be, therefore, no question about this being an administrative responsibility of the government. It is true that the prior consent of the Indians has to be obtained, but the action is taken by the government, by the minister, and on the responsibility of the government. So I think there is no question about that.

I believe the disposal of any Indian lands in any part of the country is surely a trust the performance of which, as a national responsibility, is most urgent and most important. I could quote many eloquent statements on that point by the Prime Minister when he sat over here.

Mr. Diefenbaker: I had a lot of good examples when the hon. gentleman was the minister.

Mr. Pickersgill: The Prime Minister can speak, perhaps, when I am finished. But on the question of urgency—

Mr. Fulton: You seldom stop long enough for anyone else to speak.

Mr. Pickersgill: On the question of urgency, I may say there were articles in the press but I did not feel I could properly found my case on articles in the press. The hon. member for Trinity has sought for some considerable time to get the relevant document. The document was not tabled until Monday evening at approximately 10 o'clock. Had it been available on Friday I think we would have had no case, because the matter could have been brought up on the motion to go into supply. This opportunity having been denied us, and of course the minister's estimates having been completed, there is no opportunity to discuss the subject on her estimates. It did not appear to me there was any other opportunity to bring this matter up.

It is urgent in another way. I think it is urgent to know whether this high price which was paid by Ontario hydro was something the Indians lost or whether it was something that was done extravagantly by another government. This is important, in view of the fact that we live in a democratic country and certain decisions have to be made tomorrow. It seems to me that—

Some hon. Members: Oh, oh.

Mr. Pickersgill: The Prime Minister laughs as though elections were laughing matters, and as though the people were not entitled to be informed about public affairs before they vote.

Mr. Diefenbaker: I am not entering the argument, but the fact that an election is being held tomorrow in one of the provinces is not a matter of urgency in the House of Commons.

Mr. Pickersgill: On the Prime Minister's point, since the Prime Minister was permitted—

Mr. Speaker: I would ask the hon. member who has the floor not to bring in provincial elections.

Mr. Pickersgill: I think it is a matter of urgent importance to this house to know whether this land that was sold to Ontario hydro for $7,000 an acre was worth that, in which case the Indians should have got the $7,000, or whether it was not worth it. It is for that reason that it seems to me it is urgent that this parliament, in this session, should have an opportunity to discuss this matter, and there is no other opportunity that I am able to see available under the rules.

Hon. Howard C. Green (Minister of Public Works): The hon. member for Bonavista-Twillingate really let the cat out of the bag when he referred to the Ontario election tomorrow, and went on to say that this house should be able to deal with the question of whether or not another government has been extravagant.

Mr. Pickersgill: A breach of trust by this government.

Mr. Green: If he can succeed in moving the adjournment of the house on this occasion, then a day or two before the election in Alberta, which I think is on June 18, we may have another motion of the same kind. Surely this is reducing the rule for making motions of this kind to an absurdity. All the authorities clearly state that the debate itself must be urgent, and the only element of urgency in this matter is the Ontario election tomorrow.

Mr. Pickersgill: Breach of trust.

Mr. Green: The hon. member also says there will be no other occasion on which to discuss this question. May I point out that we have one other supply motion. It will probably be called a week from Monday. I am sure the members of the government, including the Minister of Citizenship and Immigration, will be delighted to discuss this subject should hon. members across the way have the courage to raise it then.

I submit, Mr. Speaker, that this is in effect nothing more nor less than a propaganda motion and that the request made by the hon. member for Bonavista-Twillingate is really not made in a very serious way.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I think the question of the Ontario election tomorrow is an extraneous matter and should be so considered by Your Honour. I believe the hon. member for Bonavista-Twillingate (Mr. Pickersgill) made an error of judgment when he advanced that as a reason for urgency of debate. I would suggest that there is urgency for debate on other and more substantial grounds. The urgency for debate is brought about not because there may be a motion to go into supply a week from Monday when, if it is the opinion of the official opposition at that time this is the most important matter on which to move, they may move in this field. Rather, it is an urgent matter because it brings the action of the government under a cloud.

It is an extremely serious charge that is alluded to in this motion that is being advanced. The Minister of Citizenship and Immigration who is responsible, as has been pointed out, for giving permission for this land to be sold, tabled the agreement only Monday night. This is a motion that is being presented quickly thereafter in order to deal with the question, in order to get at the facts and see whether or not the Indians were denied money that should be theirs or whether for some other reason the Ontario hydroelectric commission paid a scandalous amount. These matters are urgent in that they should be dealt with and cleared up—if the government can clear them up—at this time.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I am prompted to enter this debate particularly because of some of the expressions of opinion by the leader of the house.

Mr. Speaker: Before the hon. member proceeds I would remind him that it is not a debate. We are discussing the interpretation of the application of rule 26 to the specific points that were raised. I trust that he will not stray into the field of the provincial election.

Mr. Chevrier: Mr. Speaker, I have no intention of straying. I wish to deal with the three points Your Honour asked my friend the hon. member for Bonavista-Twillingate to deal with, but before dealing with them I thought it in order to tell the leader of the house that he was more persuasive in his arguments when he spoke as the Minister of Public Works than he is when he speaks as the new Secretary of State for External Affairs.

Mr. Fleming (Eglinton): He was speaking as leader of the house.

Mr. Chevrier: A moment ago he indicated that we lacked courage in not raising this matter on the motion for supply. It strikes me that if the government were courageous it would accept this invitation to adjourn the house and deal with the matter.

The points which Your Honour asked should be dealt with are the following. First, Your Honour asked for assistance in connection with the matter of the regional or national aspect of the debate. I think it is quite clear that because of the fact that the superintendent general of Indian affairs acts on behalf of all the Indians in this country, and not only on behalf of one of the bands, the matter becomes one of national interest rather than local interest.

Then it is quite clear on another point. The responsibility of the administration is such that when matters of this kind, such as sales of land, are approved they must be approved by the governor in council, and the superintendent general in his responsibility as trustee must recommend to the minister approval of sales of this nature. In that respect I do not think there can be any doubt but that there is a responsibility as far as the administration is concerned.

I cannot agree with the argument by the leader of the house that this matter can be held over until a motion for supply is made, because there has been no indication as to when that is likely to come up, and the urgency of the debate lies in this fact, that the estimates of the hon. minister have been disposed of—

An hon. Member: What about the supplementary estimates?

Mr. Chevrier: I am asked from the rear, what about the supplementary estimates. Well, I presume they will not come up until the end of the session, which may not be for two or three weeks. I presume that the ordinary estimates of the other departments would have priority, since the minister has already disposed of her estimates. So that is not an argument. The point of urgency is that there is no immediate opportunity to deal with a matter of this nature, which to me is all-important because of the reason given by the hon. member for Bonavista-Twillingate—the exorbitant profits which have been made with regard to Indian lands, and for these reasons I suggest that the debate should be adjourned and this subject discussed.

Hon. E. D. Fulton (Minister of Justice): There are just one or two additional points I should like to make. I wish to refer, first, to the specific citation in Beauchesne regarding the question of whether a matter must be of national importance before it can be made the subject of such a motion as this. Your Honour has no doubt read paragraph 5 of citation 100 at page 90 of Beauchesne's fourth edition which says:

> The adjournment of the house cannot be moved with reference to critical conditions generally prevailing in certain parts of the country.

It is clear from the motion that it relates to a specific and isolated sale. If there were allegations made with regard to the sale of Indian lands generally I should be prepared to admit that that was a matter of general application, but this motion is confined to a specific sale. I am not suggesting that this makes the content of the motion less important, but it certainly puts it outside the scope of the rule which must be observed before the adjournment of the house can take place at this time.

On the question of the urgency of debate, I would remind Your Honour that you have

to consider, it seems to me, two questions. The first is, is there any other way in which this matter could be discussed in the reasonably foreseeable future without the necessity of adjourning the house, and second, whether the necessity for dealing with the matter is so urgent that the house should immediately be adjourned.

May I remind Your Honour that a committee has recently been set up to review the Indian Act. I understand that that committee is holding a meeting today, and this would certainly provide another forum in which this question and others relating to the administration of the superintendent general of Indian affairs could be discussed.

It seems to me that this does dispose entirely of any suggestion that the house should be adjourned at this stage. Further, on the question of whether this matter requires to be dealt with now as one of urgency, may I remind Your Honour that this sale is an accomplished fact. It is not as though the sale were about to be made and it was necessary, therefore, to discuss at this time whether or not it would be advisable to make it; or, from the point of view of hon. gentlemen opposite, to argue to prevent the sale. This sale, as I say, is an accomplished fact. There are other times at which it can be discussed, either in the committee or in this house on a supply motion or on the supplementary estimates. Since it is an accomplished fact, and with these other opportunities for debate being available, I submit that it clearly is not necessary to adjourn the house now in order to discuss it.

Thus on these three grounds—first, that it is a matter local in its import; second, that there are other occasions on which it can be discussed; and third, that the motion deals with an accomplished fact and is, therefore, not one which requires immediate discussion today—I submit that the motion is one which cannot be accepted.

Right Hon. J. G. Diefenbaker (Prime Minister): I just want to add one word. At page 89 of Beauchesne a definition is given of a definite matter of urgent public importance. Paragraph 2 says it must be so pressing that public interest will suffer if it is not given immediate attention; and I think the hon. member for Bonavista-Twillingate indicated the type of interest he had as he revealed the reason for the motion at this time.

In any event, I want to give hon. gentlemen opposite every opportunity to discuss this matter at the earliest possible date. The hon. member for Laurier said he and his friends did not know when it could be discussed. The estimates of the minister had already been completed, he said, and he did not know when the supplementary estimates would come up for consideration.

We had intended to move to go into supply a week from Monday, but in view of the arguments put forward here today I now offer to have the motion made next Monday, so the final motion for this session will be brought before the house and every opportunity will be given to discuss this matter.

Mr. Chevrier: I suppose I should be allowed to say a word in answer to the Prime Minister. The practice in connection with motions to go into supply, particularly toward the end of the session, has been that they have been staggered from time to time. If the Prime Minister wants to change it, that is quite in order with us, but the point is this. If the government is so courageous as the Prime Minister indicates, here and now is the time and place; now is the time to adjourn the debate and accept the opportunity to discuss this matter. Apparently the Prime Minister does not want to discuss it now. He wants to put it off until another time. I submit to him that here is the opportunity, and not at a later time.

Mr. Diefenbaker: In that regard, may I say this. I do not want to press the opposition; I want to assist them. But I note that as soon as I made the offer I did, the staggering was done on the other side.

Mr. Pickersgill: Perhaps I might be allowed to say a word about one of the points raised by the Minister of Justice. With regard to what he said about the committee, it seems to me that the terms of reference of that committee are quite clear, namely to examine the Indian Act, not to examine the administration of the department. The minister's argument on that score clearly falls to the ground.

Mr. Speaker: I thank hon. members for a very complete and useful discussion of the application of rule 26 to this particular motion. If I might deal with the last point referred to—the suggestion of the Minister of Justice that as a joint committee is now dealing with the Indian Act it might be an answer to the motion—may I say that to my mind it seems that if the matter is one which comes under the rule it should be possible to bring it before the house itself.

It seems to me that the complaint is that certain property of a band of Indians has been sold for too little money, that the best price has not been obtained. I accept the proposition that it is the administrative responsibility of the department to do the best it can with these sales, just as it is its responsibility in connection with any sale or purchase of public property to get the

best price or pay the least price it can. That is a continuing responsibility. But this particular motion relates to a sale that has been completed, as was pointed out by the Minister of Justice. It is an accomplished fact. What the motion seeks to do is to criticize, condemn or question the government for having made the sale on the terms it did. It is more specifically a motion of censure of the government for something it has done.

Property rights are always important to the people involved, but I think the fact that this is a property matter involving property rights puts it in a different category from other motions we have had. It strikes me that if we were to allow the procedure of the house to be interrupted every time the administration of the government with respect to the sale or purchase of property was challenged it would open a very wide door and would tend to disrupt the proceedings of the house.

With respect to the rule that the matter must be of public importance and so pressing that the public interest will suffer if not given attention, subsections 2 and 5 of citation 100 of Beauchesne's fourth edition have been referred to, and perhaps this aspect is not so clear because the administrative action of the government is always a matter of general importance and in this case it relates to a fairly local occurrence.

In coming to the question of urgency of debate let me say this. As I have already said, this appears to be basically a motion of censure on the administration and would more properly be dealt with in that way. We could accomplish very little by debating whether the price is or is not adequate, and by a motion to adjourn the house we could not correct the situation. However, the matter is one which any hon. member of the house is entitled to bring up at an appropriate time.

Having regard to the fact that this sale has been a public issue for ten days—I am not sure when the sale price first became known—we were in debate on Monday night when we had a supply motion and airing of grievances; but I do not rest my decision on the timing of the filing of this document, I want to make that clear. The clerk reminds me that the sale was made some time ago. The urgency of debate seems to work against the mover of this motion.

There will be an opportunity shortly to discuss this matter. As it is not of such national scope and as the motion would not be corrective of anything which is pending except as a means of criticizing the government, it seems to me the opportunity should be taken when it can be taken on a later occasion. I am not, therefore, prepared to accept the application for leave to move the adjournment of the house under standing order 26.

[Mr. Speaker.]

EXTERNAL AFFAIRS

NATO—REPORTED FRENCH REQUEST TO SHARE IN ATOMIC SECRETS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs if he is now in a position to comment on the strongly reported suggestions that the government of France is not prepared to make any commitments to NATO until the United States and Britain have shared their atomic secrets with France. This question was asked by the Leader of the Opposition on Monday and my hon. friend said he would give consideration to the question later.

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker. On that occasion I said I could not make any helpful comment at that time, and I still believe that to be the situation.

ST. LAWRENCE SEAWAY

STATEMENT ON PASSAGE OF UNITED STATES NAVAL SHIPS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Transport arising out of what I believe would be a very undesirable display of naval power by the United States in the St. Lawrence seaway if projected plans are completed. My question is this. Has the minister anything to report on his representations to the United States that the passage of United States naval vessels through the St. Lawrence seaway should be reduced to two a day? Would he care to comment on the story in this morning's press that the United States navy has announced that it will go ahead with plans as previously scheduled?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. This morning I asked the president of the St. Lawrence seaway authority to give me a report on this matter, and it is as follows.

Before the opening of navigation and in connection with arrangements for the royal visit our officials gained knowledge of the intended passage of United States naval vessels. At that time the size of the flotilla was not known and our immediate interest and concern, in discussion with the royal tour organization, was that the vessels would be so spaced as not to cause congestion at

the time of the official opening. It was our understanding that in so far as protocol was concerned, arrangements had been made between the United States state department and our Department of External Affairs. No one at that time could have foreseen the accumulation of shipping arising from the delayed opening of navigation due to ice conditions. Also, the influx of large ocean vessels was much greater than anticipated. Up to June 7, 248 ocean vessels passed through the Welland canal upbound as compared with 122 small ocean vessels up to the same date in 1958.

With the co-operation of the United States seaway corporation a meeting was held with United States naval officials at Ottawa on May 26 at which I outlined the situation at the Welland canal and requested that they report the same to their superior officers, with a view to considering preferably a reduction in the total number of vessels or, alternatively, the spacing of their movement over a longer period. At that time they replied that their plans had been practically completed and ships assigned, and that they could do no more than report the situation to their superior officers.

That is the end of the report of the president of the St. Lawrence seaway to me. When I was advised of the result of this meeting I discussed the situation with the United States ambassador on Friday, May 29, urging a reduction in the size of the flotilla and spacing of the ships at not more than two a day in order to minimize congestion. To this moment I have heard of no adjustment in the plans of the United States navy, though I was speaking to the United States ambassador about this matter as recently as one hour ago.

Mr. Argue: Mr. Speaker, I wonder if I might direct a supplementary question to the Secretary of State for External Affairs. Is the minister prepared to discuss this matter with the government at Washington in an endeavour to avoid further unnecessary congestion of the St. Lawrence seaway when, in the words of the Minister of Transport, it is already congested far beyond anything that had been anticipated?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, it would be unfortunate indeed if the impression should go abroad either in Canada or in the United States that this matter is not being dealt with in a very friendly and considerate way by both governments. I might add one or two facts to the statement made by my colleague the Minister of Transport.

Under an agreement known as the Rush-Bagot agreement which dates back to 1817 it is necessary when one of the two countries wishes to bring a naval vessel into the great lakes to obtain the consent of the other country. There was an exchange of notes between Canada and the United States early this year with regard to the proposal of the United States navy to bring 28 naval vessels into the seaway. Canada agreed that this course could be followed. At that time, of course, no one realized the difficulties that would arise in getting the vessels through the Welland canal. I do not think either nation expected that there would be this tie-up and, of course, it affects the United States as well as Canada, so that everything has been done in good faith in connection with this proposal.

My department has made representations through the Canadian embassy in Washington, and I am very hopeful that some satisfactory method of solving the problem can be reached at a very early date.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I should like to add just one word, arising out of the preamble to the question asked by the hon. member for Assiniboia. Whatever may be the difficulties which might follow from the numbers of the United States flotilla—that has been discussed by my colleagues—I would not want the idea to go forth that the hon. gentleman represented the views of the members of this house and of the people of Canada when he said "in view of the undesirable display of United States naval strength in the great lakes". That was a preamble unnecessary for the discussion of the objective nature of the question, and I want to make it perfectly clear that it does not represent, as I understand it and know it, the views of the Canadian people.

Hon. Lionel Chevrier (Laurier): Since this matter has been so informally discussed perhaps I could say just one word to express to the Secretary of State for External Affairs the approval of those who sit on this side of the house of his attempt to point out to the United States the difficulties that would exist under the circumstances. There is no doubt in our mind that when the agreement was made the circumstances were not at all the same as they are now. No one had any idea that the conditions would be such as they are, and in view of the fact that there is an undertaking in the Rush-Bagot agreement, I think all the minister can do is to make the necessary representations to the United States. I am sure that if they are done in the proper way, as the minister will unquestionably bring them forward, the United States will understand that there should be, if not a stoppage of the movement,

at least a substantial staggering which will not add to the confusion which already exists.

Mr. Argue: Mr. Speaker, since other comments have been made on this, I should like to ask the indulgence of the house to make a further comment myself.

Some hon. Members: Order.

Mr. Speaker: The hon. member was responsible for the course taken by giving an apparent expression of opinion when he asked his question. If the house does not object to his speaking again, I have no objection.

Mr. Argue: Mr. Speaker, following the comments of the Prime Minister the hon. member for Laurier made comments. I feel that I—

Some hon. Members: Order.

Mr. Speaker: I think leave of the house should be obtained to extend this discussion, and it is apparent that the house does not wish to give that leave; therefore I think the hon. member will have to conform to the procedure and ask a question if he has one to ask. Otherwise he should terminate his remarks. Just to make sure, might I ask the hon. member for Assiniboia whether he had a personal explanation to make because he felt that anything he had said had been misinterpreted to his discredit? If that were so I would give him the floor; otherwise what I said would apply.

Mr. Argue: The Prime Minister made some extended comments on what he called the preamble to my statement. Following the comments of the Prime Minister the hon. member for Laurier himself made some comments. I was merely asking that the house extend to me the same privilege and the same courtesy which was extended to the hon. member for Laurier. If the house does not wish to do so I have no complaint.

Mr. Speaker: I wanted to know whether the hon. member felt that anything that had been said in the course of what turned out to be a debate was a reflection on him?

Mr. Argue: I will deal with that later.

UNEMPLOYMENT INSURANCE

NOVA SCOTIA—REQUEST THAT WAITING PERIOD BE WAIVED

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has the minister received from a miners' local union in Nova Scotia a telegram urgently requesting that the waiting period regarding unemployment insurance be waived? If so, has he any comment to make on this most important matter?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I did receive such a request. This was brought to the attention of the commission and Mr. Marsh was notified of the position of this request as it relates to the Unemployment Insurance Act. I have not the reply with me, but I wish to assure the hon. member that a reply has been sent and the matter was set out very clearly in that reply.

HARBOURS

MONTREAL—REQUEST FOR COMMENT ON REPORTED EXPENDITURE OF $100 MILLION

On the orders of the day:

Mr. Egan Chambers (St. Lawrence-St. George): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister clarify the suggested expenditure of $100 million to be made on Montreal harbour, as reported in the Montreal *Star* of June 9?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. I wish to thank the hon. member for his courtesy in advising me of his intention to ask this question. The total to be expended on Montreal harbour beyond the $57 million now approved will be determined after a study has been made of the findings and recommendations of the Montreal harbour planning committee. This committee has now started to work under specific terms of reference related to the future needs of the port of Montreal.

BUSINESS OF THE HOUSE

UNEMPLOYMENT INSURANCE ACT—INQUIRY AS TO THIRD READING OF BILL

On the orders of the day:

Mr. Alexis Caron (Hull): May I direct a question to the leader of the house. Can the minister tell us when he intends to proceed with the unemployment insurance bill No. C-43?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker; I am sorry, but I cannot give the hon. member that information at the moment—perhaps next week.

Mr. Caron: A supplementary question. Did I hear the minister correctly when I thought he said "perhaps next week"?

Mr. Green: Yes.

TRADE AND COMMERCE

STATEMENT ON REQUEST THAT LITERATURE BE PRINTED IN BOTH LANGUAGES

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Shefford (Mr. Boivin) asked a question about the trade and commerce stand at the international trade fair in Montreal. His question reads in part as follows:

> On Saturday, June 6, *La Presse* published a picture showing that literature handed out at the trade and commerce department stand, at the international trade fair being held in the show mart in Montreal, is exclusively in English.

I do not understand how a picture can show what is being done exclusively, but the answer is that with very few exceptions the literature being distributed is available in both French and English. There was some delay in receiving the printed French language signs for the department's stands, but that was remedied and appropriate French language signs were put in place early last Sunday evening.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO CALLING OF CONFERENCE ON FISCAL MATTERS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Finance now the question I asked him yesterday, and which he did not answer, on third reading of the bill having to do with the tax-sharing agreements. Has the minister been advised that the premier of Quebec proposes to attend the conference of officials in Ottawa in July, and can he say definitely now whether, after that conference of officials, the government will call a conference of governments before the end of this calendar year?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am afraid the hon. gentleman is somewhat confused. I have had no communication from Premier Duplessis indicating that he proposes to attend the conference. I did read in the newspaper the day before yesterday that the premier had stated that he and the minister of finance of the province of Quebec, Mr. Bourque, would attend the conference of ministers.

The hon. gentleman asked me whether the premier was going to attend the conference of officials. Of course the answer is certainly no. The intimation in the press statement was that he was going to attend the conference of ministers. I must ask the hon. gentleman to put his facts straight and distinguish between the conference of ministers, which happens in the first of the week, and the conference of officials which will follow the meeting of the ministers.

So far as the second part of this question is concerned, I was asked a similar question at the committee stage of the bill in question, and I gave an answer at that time.

Mr. Martin (Essex East): No, you did not.

Mr. Fleming (Eglinton): The hon. gentleman evidently was not present at that time.

Mr. Martin (Essex East): I was.

Mr. Fleming (Eglinton): Then I am all the more surprised—

Mr. Martin (Essex East): You did not answer.

Mr. Fleming (Eglinton): —that he did not ask his question at the proper time. The question was asked and was dealt with at that time.

Mr. Martin (Essex East): Mr. Speaker, may I sugegst to the Minister of Finance that this is a question which ought to be answered. Is the government going to call a conference of the two senior levels of government, the federal and provincial governments, in the matter of fiscal relations before the end of this calendar year, pursuant to the promise made by the Prime Minister? That is a simple question which even the Minister of Finance ought to be able to understand.

Mr. Fleming (Eglinton): Mr. Speaker, the hon. gentleman has, of course, as he has been doing quite frequently of late in a good many places, smuggled in one of his propaganda speeches without any foundation under the guise of asking a question in the house. This is not an unfamiliar tactic on his part. He is trying to put words into the mouth of the Prime Minister—

Mr. Martin (Essex East): I could not do that.

Mr. Fleming (Eglinton): —without justification. We have been all over this question. The subject of dominion-provincial relations has had nine days debate in the house now from the time the hon. member introduced it first on February 9, and I suppose as long as the session lasts he will go on talking about this subject, asking the same questions and making the same erroneous and misleading statements.

Mr. Martin (Essex East): Mr. Speaker, in view of my failure to elicit any information in the public interest from the Minister of Finance, may I ask the Prime Minister if it is his intention as head of the government

to see that before the end of this calendar year a conference is held between the heads of the provincial governments and the head of the government of Canada, together with the finance and treasury ministers? Does the Prime Minister not think that this information ought to be given—

Mr. Speaker: Order. The hon. member has asked one complete question, and although it seems to me to be based on a broad policy issue with respect to which he can hardly expect an answer on orders of the day I am not going to reject it.

Mr. Martin (Essex East): Mr. Speaker, with great respect I must say to you that this is a perfectly proper question. We have been denied any information on this subject from the government, and I am entitled as a member of the house to ask what the government's intentions are in this particular. I do not think it is open to anyone in the house to suggest that we in this small group have not the right to put questions to the Prime Minister of this country.

Mr. Speaker: I will give the Prime Minister the opportunity to answer, but may I say that the right is a right to ask questions and not to insist upon answers.

Mr. Martin (Essex East): That is not the point.

Mr. Speaker: There is a distinction between questions as to the intention of the government and as to policy, and it seems to me that this question involves policy.

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. gentleman knows, of course, that the question is not proper on the orders of the day.

Mr. Martin (Essex East): Why isn't it?

Mr. Diefenbaker: Questions on the orders of the day deal with matters of immediate importance and urgency. In so far as the general answer is concerned, it has been given over and over again. All my hon. friend is trying to do with all these observations is to create a smokescreen that the opposition is being denied information.

Mr. Martin (Essex East): We are.

Mr. Diefenbaker: They have been given the fullest possible information, irrespective of what he says.

Mr. Martin (Essex East): Mr. Speaker, I am going to ask the Prime Minister again, and I have a right to ask this question. We have been asking this question since the beginning of this session, and the government should answer now. Is it the intention to call this conference before the end of the calendar year or is it not?

[Mr. Martin (Essex East).]

Mr. Speaker: Order. The hon. member has asked that question already and has received an answer both from the Minister of Finance and the Prime Minister. There is no point in his repeating the question. I am sorry to say that I cannot accept that question.

Mr. Martin (Essex East): Mr. Speaker, on a point of order—

Some hon. Members: Order.

Mr. Speaker: I will hear the hon. member on a point of order.

Mr. Martin (Essex East): I have asked the Prime Minister a perfectly proper guestion. He has the right to say that he does not intend to give an answer, but unless he takes that position we are certainly entitled to receive from the head of the government of this country an indication on a matter of this great importance. I do not think, Mr. Speaker—

Mr. Speaker: Order. I have heard the hon. member's point of order that he is entitled to an answer of a specific kind, and I cannot accept that as a proper point of order.

Hon. Lionel Chevrier (Laurier): I should like to direct a supplementary question to the Minister of Finance. What is the position of a premier of a province who attends a meeting of ministers? Does this mean that other premiers of provinces as well can come along to this meeting?

Mr. Fleming (Eglinton): Mr. Speaker, I think it would not be proper at all on my part to comment on that question. I have had no communication from the premier in question as to his intention. I pointed out when this matter was under discussion—and it is obvious we are entering into a prolongation of the debate that was concluded several days ago—that there are three provincial premiers in this country who are themselves provincial treasurers. It is expected that those three provincial premiers will be attending the conference in their capacity as provincial treasurers.

Mr. Chevrier: May I follow that up? That may be true to some extent but the premier of the province of Quebec is not provincial treasurer, as the minister knows, and the point that interests me is that an announcement has been made and reported in the press that the premier does intend to come. That is what prompted my question.

Mr. Martin (Essex East): The government does not want to tell us anything.

Mr. Fleming (Eglinton): The government sits here—

Mr. Martin (Essex East): And tells us nothing.

Mr. Fleming (Eglinton): —and watches the transparent showmanship of the hon. member for Essex East and thinks it is completely synthetic.

Mr. Chevrier: You are losing your temper again.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

REPORTED GIFT OF ISLAND TO CANADA BY LATE JOHN FOSTER DULLES

On the orders of the day:

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Would the minister care to comment on a Canadian Press dispatch respecting the gift of Duck island to the people of Canada by the late Mr. Dulles, and the suggestion that the island be made a game sanctuary and perhaps renamed in honour of the donor?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I have heard of this matter, but I will have to take the question as notice and see what is going on.

AGRICULTURE

PORK—DISPOSITION OF SURPLUS HELD BY GOVERNMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Agriculture. Would the minister care to comment on a Canadian Press report based on information attributed to officials of his department, in which it is stated that there are 70 million pounds of frozen pork in the possession of the government, and that in addition the government will have about 25 million pounds of canned pork on its hands by the end of June? Has the government any plans to dispose of these huge quantities of surplus pork?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, to begin with I do not know where the newspaperman who wrote the article got his information, but his figures are not entirely accurate.

With respect to the allegation in the article that there is no storage space left to store pork and other products, I should like to point out that on May 1 public cold storage occupancy was approximately 83 per cent of capacity compared with 84 per cent in November of 1958. In other words, there was very little difference; in fact there was a little less than last November. The figure was higher than on May 1, 1958 when it was about 65 per cent. Cooler space occupancy was about the same on May 1 in both years.

As far as the disposal of pork is concerned, we have been selling some of the pork both in the local market and in the United States. We also have several deals pending for the sale of some of this pork abroad. In addition, during the months of July and August, as many hon. members are aware, the runs of hogs are very much reduced and we expect to move a considerable amount of this pork into consumption during the summer period.

Mr. Argue: When the minister says he intends to move this surplus pork into consumption, does he intend to move it into consumption in the Canadian market, and is this not likely to bring about a further depression of pork prices? I should also like him to comment on the further statement attributed to these officials that the 25 million pounds of canned pork will likely be given away.

Mr. Harkness: I do not think there is any statement like the last one referred to by the hon. member in the press article which I read. In any event, officials of the department have no authority whatever to make any statement with respect to whether pork will or will not be given away, and I am sure that no such statements were ever made. The pork we hold in storage at the present time will be moved into the Canadian market during the summer months when, in nearly every year, the runs of hogs are not sufficient to meet the current demand.

Mr. Argue: May I ask a further question. Will this pork be placed on the Canadian market only if the price remains above the floor or at the floor?

Mr. Harkness: Mr. Speaker, we are selling this pork, and we have sold a certain amount already, at no cost to the stabilization board. In other words we are selling it at the price we paid for it plus the storage charges. We are going to continue to sell all the pork we can on that basis.

The hon. member stated that this procedure would cause a further depression in pork prices. There cannot be any further depression because the price is at the floor and has been at the floor for some considerable time. Naturally, any action we take to dispose of this pork is not going to put the price below the floor because we guarantee that.

Inquiries of the Ministry

(Translation):

POSTAL SERVICE

INQUIRY AS TO MAIL TRANSPORTATION BY ROCKET

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I ask the Postmaster General a question? *La Patrie* of June 7 reported that, in Germany, transmission of mail by rockets had been tried out. In view of the fact that a similar test has been successful in the United States, as reported in yesterday's *La Presse*, is the Postmaster General in a position to comment on those reports which are of special interest to his department?

Hon. W. M. Hamilton (Postmaster General): Yes, Mr. Speaker. The two experiments in the transmission of mail by rockets show that, for the past 20 years, postal services throughout the world have tried everything to improve mail transportation.

(Text):

However, I might point out, Mr. Speaker, that here in Canada, while we have not been sending mail by rocket, we are among the very few countries in the world which send all first class mail up to eight ounces in weight by air where it may thus be advanced in delivery. The result is that a letter posted in Vancouver one day will be delivered in most parts of eastern Canada the following day, and vice versa if it is going in the other direction. At the moment I believe that is quite satisfactory, though I do believe that for those who travel by submarine the new development in the United States will be quite helpful.

(Translation):

Mr. Denis: As a supplementary question, if the American Bomarc, which has been purchased by the Department of National Defence should prove inefficient for defence might the Postmaster General consider making use of that missile for mail transportation?

(Text):

Mr. Speaker: The great solicitude of the hon. member for St. Denis for details of the administration of the post office department sometimes leads him into error so far as the rules are concerned.

HIGHWAYS

MANITOBA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the minister of northern affairs whether an agreement has recently been entered into with the government of Manitoba for federal assistance to a large highway project direct to the north?

[Mr. Harkness.]

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): The discussions with Manitoba were completed some time ago and an agreement has been drawn up. Manitoba has signed the agreement, and it is a question of getting approval here finally completed.

Mr. Pickersgill: The agreement has not been concluded, as I understand it.

Mr. Hamilton (Qu'Appelle): Mr. Speaker, all the facts of the agreement have been completed for some time, and it is a question of going through the formalities of the signing.

SUPPLY

The house in committee of supply, Mr. Sevigny in the chair.

DEPARTMENT OF TRANSPORT

392. Departmental administration, $2,587,500.

Mr. Hees: Mr. Chairman, at the outset of this discussion on the main estimates of my department and the subagencies reporting to me I will, with your permission, spend a few minutes in summarizing, for the benefit of this committee, the more noteworthy items contained in our programs for 1959-1960.

The grand total of the several dozen appropriations, including statutory items, is $262,587,000, and that represents a slight increase of $1.1 million over the amount approved for the fiscal year 1958-59. From this it will be evident we will be maintaining the substantially accelerated tempo of last year's capital program, when we provided an additional $41 million. Maintenance of the proposed level of expenditure will enable us to perform many activities in such a way as to materially assist the country's economy and, at the same time, cope with the increasing demands from industry and the public generally in the field of transportation.

For the convenience of the members I intend to deal with the three main divisions of my department in the order of their appearance in the blue book. Before doing so, however, I wish to mention one general matter which is of special interest to all of us, namely the matter of our personnel establishment. Examination of the printed details in the estimates will show that the department is contemplating a total of 14,700 positions, either full-time or part-time, for this year. Although this represents a drop of 400 from last year, it does allow for transfer of 1,040 positions to the St. Lawrence seaway authority due to transfer of the main line canals. Thus it will be seen that in fact we are providing 640 additional positions in other sections of the department.

The main additions included in this figure are 114 for manning of new vessels; 240 in telecommunications because of the transfer to the department of the Northwest Territories and Yukon radio system and installation of new radio aids for aviation and marine at numerous additional sites; 167 to cope with the additional work load associated with general control of civil aviation, particularly air traffic control.

Budget planning for our canals section in the coming year will, of course, bear little resemblance to that of previous years. The combined requirements for operation and construction will total $3¾ million in comparison to last year's $11.5 million. The only sizeable projects pertain to the Canso canal, where some $0.5 million will be spent on a mooring wall and fenders. Apart from the general votes a special appropriation of $3 million is included this year to cover the estimated operating deficit on non-toll canals transferred to the seaway authority, that is to say the Lachine, the Sault Ste. Marie canals and the remaining portion of the Cornwall canal, as well as capital expenditures on these canals and the second Welland canal.

One of our departmental responsibilities which continues to expand is that of marine steamer operation. Especially is this so in our work of co-ordinating the movement of cargo required for normal government resupply and for Canadian and United States military installations in the far north. During 1958 that tonnage totalled 78,000 tons, or double the 1957 volume. All planning associated with operations and building in the Arctic must be hedged with some uncertainty because of the extraordinary factors to be considered. For this reason it is difficult to anticipate transportation needs. However, we do believe there will be no lessening of the volume transported by water last year.

I am indeed happy to refer to the take-over in 1959 by my department of the last segment of the sea supply for the D.E.W. line. In 1958 the government, through the agency of Northern Transportation Company, took on the resupply of those stations in the central region, and my department became co-ordinator for the Foxe basin area. The United States government agencies with which we worked expressed unqualified approval of the capability displayed by Canadian resources and equipment, both governmental and commercial. As a result we have reached agreement that the department will extend its responsibility to the last segment, that is those radar stations on the east coast of Baffin island. Before leaving this item I do wish to pay tribute to the splended co-operation we have received from the various United States government agencies involved.

On the capital side, our marine steamers' fiscal requirements will fall off somewhat, not because of a decrease in physical volume but rather because several of the large items will be in either the planning stage or the completion stage. Before the 1959-60 fiscal year expires we expect work should be virtually completed on several new or replacement units, such as three supply and buoy vessels, which will operate from ports in the Atlantic provinces; a diesel electric icebreaker for service on the eastern seaboard and in the eastern Arctic; an icebreaker-supply ship type for the west coast and Arctic; a number of service vessels which will enable us to release obsolete units operated for many years on the St. Lawrence river; and autoferry vessels which will service Bell island, Newfoundland, and Pelee island, Ontario.

During the past year departmental officials, in collaboration with Canadian National Railways, have made a thorough study of ways and means of improving the Newfoundland coastal steamship services, which have been hampered by the shortage and inadequacy of vessels employed, the insufficiency of berthing space, storage areas, etc. In view of the findings thus made the government has decided to construct additional passenger-cargo vessels. The estimates now before this committee include the sum of $2,300,000 toward the cost of two of these vessels, and I expect a third to be added in next year's estimates. In addition, the Department of Public Works will commence the construction of freight sheds and wharf improvements at Corner Brook and Lewisporte, and vote 416 contains approximately $800,000 for this purpose.

Continuation of the program, under way for the past few years for modernization of our marine agency depots will be pushed along this year. The expenditures related thereto will form the largest single type of commitment in vote 402, which will differ very slightly in size. We are planning on a reduced financial outlay for the St. Lawrence ship channel service. Capital commitments pertaining to general improvement of the channels in the St. Lawrence and Saguenay rivers will be unchanged, but our maintenance dredging proceeded at an extraordinary rate in 1958 and a reduction is therefore expected. This, however, will be temporary only, since this work has been held back during construction of the seaway, and needs to be expanded again if the channel from Montreal is to be improved as required.

At this point I come to the air services of the department, for which we are budgeting more than 60 per cent of our proposed departmental fiscal outlay. Administration and operation of the telecommunications branch which, among other responsibilities, maintains the hundreds of air and marine navigational aids throughout Canada, will require a sum very close to the $17 million mark. In dealing with the staffing problem I have already alluded to certain heavy assignments we must add to this work load.

There is one other major item. I refer to the proposed purchase of four Decca navigator chains to assist marine navigation on the eastern seaboard. Evaluation studies carried out during the past two years have demonstrated the value of this navigation system, especially in periods of poor visibility.

Our responsibilities in the circle of international communications will require our technical officers to devote a good deal of their time and effort to work associated with a number of important meetings. During 1959 the international telecommunications union, an agency of the United Nations, will have a conference in Geneva to revise the convention of 1952. In addition there will be a radio conference in Geneva to revise the international radio regulations which cover many vitally important matters, such as frequency allocations.

In the area of radio aids construction and acquisition of equipment, we are contemplating the expenditure of $14 million. Five years ago the department inaugurated a program for combining marine and aeronautical stations in order to avoid duplication of manpower and equipment. One of the new stations will be at the new Prince Rupert, B.C. airport on Digby island. The other station to be replaced is the historic station on Signal hill, St. John's, Newfoundland, at which point Marconi received his first trans-Atlantic radio message.

Another noteworthy part of the year's program is the emphasis we will be giving to the development of radio and electronic systems to assist air traffic control communications by extending the distance over which a controller in an air traffic centre may talk directly to a pilot.

So much for the telecommunications branch. I shall now deal briefly with the meteorological branch. Too often we find that the public mistakenly think of the meteorological service in terms of public weather forecasting only. That, of course, is one of the important functions, but it is only one of many. Special weather forecasting is performed for shipping in the Atlantic and Pacific coastal waters, great lakes, St. Lawrence river, etc. Air navigation, both civil and military, in all sections of the country, as well as over the Atlantic, Pacific and polar regions, depends heavily on the advice of the weather expert. The agricultural, forestry and transportation industries rely extensively on the findings of research endeavours performed on their behalf.

One of the very interesting activities to which special attention will be given this year is related to preparation of forecast charts at various levels of the atmosphere. The objective there will be the development of methods of preparing these charts by numerical means using highspeed electronic computers. The appropriation for operation of the branch will also this year contain an item of $370,000 to cover aerial ice survey. In previous years the Royal Canadian Air Force performed a considerable amount of the Arctic flying for this purpose, but the over-all requirement has grown to the point where it is deemed advisable to turn over the work to commercial operators. The reconnaissance will range from the lower St. Lawrence and gulf area as far north as the Arctic archipelago.

Finally I shall touch on the civil aviation requirements. Our national investment in facilities and equipment provided for the use of those who travel by air is indeed most substantial. The adoption of faster aircraft, the steady upward climb in traffic, the development of the more remote areas of our country, and the constant demands from the public generally, commercial interests and public officials, for more and better airways, airports, etc., all make inevitable some increase in expenditures for maintenance and operation. We are therefore expecting that the numerous items of costs for these purposes will be approximately 17 per cent higher than those of last year. Some $365,000 additional will be needed to defray maintenance costs for new or enlarged air terminals. Several millions of the increase arise from new or broadened tasks allocated to the department at a considerable number of isolated or semi-isolated locations such as Fort Nelson, Whitehorse, Goose Bay and Frobisher, where costs of materials, transportation, salaries, messing, repairs and upkeep and the like are so much higher.

It has been decided that the Department of Transport will take over operation and maintenance of the United States air force airstrip at the Cambridge bay station in 1959. I might add that we are continuing to give consideration to the possibility of a similar

take-over at other sites in subsequent years such as Cape Dyer, Hall lake, Cape Parry, Tuktoyaktuk.

The function we perform with regard to air traffic control along our airways, and especially in the vicinity of airports, is another case in point. Last year I reported an increase of 25 per cent here. For 1959-60 we have succeeded in levelling off to an appreciable degree; none the less some $350,000 extra must be provided. On this segment of our supervisory responsibility the advent of the jet age has a particularly telling effect, for it means the testing, purchase and operation of a dozen and one types of expensive electronic devices. Here in Canada we are as yet still on the threshold, and we will not begin to feel the real impact until 1960 when our first commercial jet transports enter the picture.

In establishing the level of our 1958-59 construction program to meet civil aviation requirements it was necessary for parliament to apportion to the related vote a sum of money which represented an increase of 80 per cent. On February 5 of this year when the Minister of Finance tabled the main estimates, he explained that this program would remain at the same high level. Nevertheless we are providing some $600,000 more for administration of this service. Those two statements—the same level of activity but sharply increased administrative costs—do appear rather contradictory. The explanation lies in a decision of treasury board that partial costs of air traffic control and related services previously recovered from national defence should in future be absorbed by the transport appropriation.

In the time at my disposal I could not hope to single out what might be considered the large expenditures. This vote totals $63 million and of the hundreds of items—and I use the term "hundreds" intentionally, because the list runs to more than 50 pages —many certainly come under the category of "large". I will therefore confine my remarks to some general observations about our program.

Present expectations are that within the next year we should be able to complete, or almost complete, major terminal construction at such places as Halifax, Montreal, Gander and Ottawa. In addition, very substantial progress will be made on new terminals at a number of other points, Regina, Winnipeg and Toronto, to mention a few. Upwards of $15 million is earmarked for miscellaneous work; for example, new airports at Three Rivers and Sherbrooke; new runways; improvements to existing runways; taxiways; buildings for ancillary services, etc. at dozens of airports from coast to coast.

Mr. Chairman, in concluding my remarks I should like to say I fully appreciate the somewhat sketchy nature of my statement. I would hope, however, that hon members will likewise appreciate that the very diversity of my department's responsibilities and operations makes it difficult to report in more detail. I trust, too, that my statement will be of assistance to them in their consideration of our estimates.

Mr. Chevrier: Mr. Chairman, I think the committee will, on the whole, be appreciative of the comprehensive report which the minister has given on the activities of the various branches of his department. After all, the Department of Transport is one of the most important, if not the most important in the government service, and it would have been unfortunate if the minister had not seen fit, as he has done on at least two occasions in the past, to bring forward a detailed statement concerning some of the things which have happened during the course of the year and some of the projects which he has in mind for the future.

However, I may tell the minister without any hesitation that I am keenly disappointed in the fact that there are two matters at least which were not dealt with in his statement. I had some occasion to refer to the first of these matters the other evening. It seems to me that there should be made today an over-all statement by the minister in connection with the operation of the St. Lawrence seaway, and I am sorry that the hon. gentleman has not yet seen fit to make such a statement.

As the committee knows, there have been some obstacles and difficulties; there has been a great deal of misunderstanding, and unfortunate publicity has been given to the seaway, first, at the end of last season when all those ships were cluttered up in the ice in the Lachine canal and in Montreal harbour; next, at the opening of navigation, when because of difficulties arising from ice conditions navigation had to be postponed, and finally because perhaps—and I hope this is a fact—an inordinate number of new ships entered the canal. All this goes to show that the success of the operation is, as I believe, assured, but I hope the minister will take the committee into his confidence and tell us the whole story about the present position from the entrance to the seaway at Montreal right up to the head of the lakes.

There are two serious bottlenecks. There is the one at Welland which was mentioned here the other evening. I know I need not tell the minister this, but when I was near Lancaster for a public ceremony less than a week ago there were no fewer than 25

ships waiting at anchor to enter the Eisenhower lock. I should not have said "Lancaster"; it was in the vicinity of Glenwalter in the county of Glengarry. These ships were tied up because of conditions that existed further down the river.

Now, the point which occurred to me is this. Are the facilities, as they were anticipated, sufficient to meet the position as we find it today? I have some personal ideas on that. The minister knows what they are but I have not the facts at my disposal and the hon. gentleman has, and I think he should tell the committee and the country what the over-all position is. I am sure he would agree that it takes at least one navigation season, if not more than one, to ascertain whether the facilities are adequate to meet the traffic, and I invite him now, as I did the other evening, to make such a statement at the first opportunity.

There is another matter which is of interest to us on this side of the house and I am sorry, once again, to note that the minister saw fit to make no reference to it. I refer, of course, to the Drew case which was disposed of by a judgment of Mr. Justice Thorson. In the question and answer period the minister on one occasion, if not on more than one occasion, used words to this effect; that the hon. member for Laurier had had eight years experience, it is actually nine, and would surely not want the Minister of Transport to comment on a matter of this nature. But I can tell the minister this, in all humility; that it would seem to me that in the circumstances surrounding this case I would have felt impelled to add to the statement which he made today and clear up some of the contradictions which appeared on the face of this matter.

I do not intend to go any further now than to ask the minister to rise in his place at this time and make a statement on this subject, because there are a number of inconsistencies, a number of contradictions and a number of questions arising out of the judgment of the president of the exchequer court. If the circumstances are as the minister would have us believe they are, as indicated in the question and answer period on the orders of the day, then let him tell us. I know the minister well enough to be aware that he is a frank person. He is the last one who would want to hide anything from the committee. There are some contradictions and inconsistencies here, and I think the committee is entitled to know how they came about.

Now then, what are some of them? There is the appointment of an appraiser by the minister. The minister, I believe in answer to me, said that he appointed an appraiser. Was he an independent appraiser? The court found that he was not. The court found that the appraiser was under the direction of some other person, and that he could not therefore be independent. The minister knew, of course, that the appraiser was one of the political organizers of the hon. member in question, and if the minister told us frankly what were the circumstances surrounding that particular aspect of the transaction I believe the committee would feel better—

Mr. Balcer: Mr. Chairman, would the hon. member permit a question?

Mr. Chevrier: Certainly.

Mr. Balcer: Is he laying a charge against the hon. member in question at the present time?

Mr. Chevrier: Oh, well, Mr. Chairman, this matter can be discussed on the estimates of the Minister of Transport in this committee. It is quite clear that there is more than one way of disposing of a matter of this kind. It can be brought up and discussed under several headings. Surely I am not going to be interrupted in asking the Minister of Transport certain questions on a matter of this importance. If I am, then I want to know, and if I am not then I intend to proceed.

I have said that an appointment was made by the minister, and I believe we should be given the facts concerning the appointment. There is another very obvious contradiction in what the minister replied to me concerning an alleged agreement that the valuator's report would be accepted by all parties. Will the minister tell the committee whether or not that is so? Will the minister tell the committee whether or not he made a submission to treasury board concerning these valuations? Will he tell the committee whether, if he did not make a submission to treasury board, he did invite one of the officers of his department, the assistant deputy minister, to discuss with treasury board the valuations that were placed on these properties?

I remember that quite some time ago there was difficulty in the Malton expropriations —I think as far back as the time I was there—because of the zoning regulations and it was not an easy matter to dispose of the expropriation of these properties. It might well be that because of the fact that there was delay in the expropriation of these properties, it was felt that haste should be the password and that matters should be proceeded with much more expeditiously than they had been in the past, but that does not derogate from the fact that if that is the case then everything that was done should have been done in accordance with the best traditions of the Department of Transport.

I have some knowledge and a great deal of admiration for the officers of the Department of Transport, as the minister knows. I do not think that there are any more zealous employees in the public weal anxious to see that where funds are expended they are properly expended and that where funds are spent for a particular purpose they go in payment of what is a just, reasonable, equitable and fair valuation having regard to the circumstances. Well, now, was this the case here?

Before I proceed with the rest of my remarks—I have interrupted them to some extent in order to deal with this matter which in my humble opinion is of importance—I ask the minister now whether in all fairness to himself, his officers, the committee and the country he should not rise in his place and tell us the circumstances surrounding this matter, and I invite him so to do.

Mr. Hees: I shall be very glad to do so, Mr. Chairman.

Mr. Argue: Mr. Chairman, before the minister replies to the hon. member for Laurier I should like to have the opportunity to present a few remarks on item 1. Although other hon. members of this group will be making some comment as time goes on, I do not intend to deal with the matter raised by the hon. member for Laurier.

Mr. Hees: If I may interrupt the hon. member for Assiniboia, Mr. Chairman, may I say I should be very happy to listen to the hon. member but I thought the hon. member for Laurier was interrupting his remarks to ask me if I would reply to questions as we go along, and I am very happy to do so. It is perfectly satisfactory to me to do it in any way at all, and I should be very glad to reply to the hon. member for Laurier right now.

Mr. Argue: Mr. Chairman, I appreciate the position of the minister. I know he is desirous of replying to the hon. member for Laurier. The procedure in discussing the first item has been that a spokesman comes forward from each party. In addition to that I have another engagement immediately after 2.30 in a standing committee of this house. I know what is in the minister's mind; he wants to show that he is prepared to deal with this question now. I realize that, but I should like to have the opportunity of making some remarks at this time.

I was about to say I did not wish to deal specifically with the matter raised by the hon. member for Laurier. The questions he raised are pertinent and I hope the minister will give a comprehensive and full explanation of the circumstances surrounding this case.

This morning on orders of the day I once again raised the question of United States naval vessels, 27 in number, entering the St. Lawrence seaway toward the end of June. In the introductory preamble to my question I said I considered this an undesirable display of United States naval power. Although two members of the government replied to the question, the Prime Minister seized the opportunity of grabbing these words and making his own comments. After the Prime Minister sat down the hon. member for Laurier very appropriately said that since more comprehensive remarks had been made on this question he would like to make some comments of his own. When the hon. member for Laurier sat down I claimed the floor. The Speaker decided to ask the house whether I would have unanimous consent in order to make some comments and hon. members on the government side refused that consent when the question was put.

I regret that action on their part. I believe it was most unfair and discourteous. I doubt if there is anything very much for them to gain by acting in that way. I repeat, however, what I said before, namely that it would be a great error to have this United States naval flotilla coming into the seaway toward the end of June, although arrangements had been made previously by agreement with the Canadian government, and although it is understandable that many people in the United States and some people in Canada would like to see this tremendous display when the President of the United States and the Queen are here. Under the economic circumstances surrounding the St. Lawrence seaway at this time it would be a great error for 27 ships to present themselves at the seaway and delay the commercial use of the seaway for a number of days and, as has been said by people who understand the operations of the seaway, probably cause the type of congestion and tie-up which would take some weeks to unravel.

In his comments on the orders of the day the Prime Minister referred to the United States as a friendly nation. Well, of course, that is correct. The United States is a friendly nation, and we have friendly agreements with the United States. We have friendly discussions with them and I would suggest that, as two friendly nations discussing this question, the United States should give sympathetic consideration to the request now made by the Canadian government that the size of the flotilla should be reduced at any rate when it goes through the seaway.

The United States authorities, probably standing on rather firm legal grounds or technical grounds in the sense that a prior

agreement had been arrived at between Canada and the United States, takes the position that these 27 ships should proceed. But notwithstanding that prior agreement, notwithstanding that the Canadian government made a very serious error in judgment as far as the condition of the St. Lawrence seaway is concerned at the present time, as the minister said earlier today, I think there should be a reduction in the number of ships passing through. Undoubtedly if the Canadian government had known about the congestion that was to take place in the seaway this agreement never would have been entered into.

Canadian shippers of iron ore, Canadian shippers of grain, Canadians generally whose livelihood depends on the efficient use of the seaway will resent very greatly any interference with its operation which results in economic disadvantage to themselves and economic dislocation to the country through a display that is not necessary. Although the hon. member for Laurier may amend his remarks of the other evening, I think he was correct when he said the flotilla should stop at Montreal and should not proceed through the seaway.

There have been great disappointments in the operation of the seaway. People who depend on the seaway for the shipment of iron ore and other Canadian products are coming to the conclusion that unless suitable action is taken the St. Lawrence seaway will not result in a saving in costs as had been anticipated. I hold in my hand a great many statements, statements for example by men like T. R. McLagan, president of Canada Steamships, saying that our Canadian products should have priority in going through the seaway, and that unless steps were taken to provide such priority increased costs would result.

There has been a very serious bottleneck at the Welland canal, and consideration has been given to providing twin locks and taking other measures to provide a more efficient seaway. The seaway has been built at great cost to this country. The seaway authority can now spend some $335 million, as authorized by parliament and although this is a much larger sum of money than it was originally expected it would be necessary to spend there is no assurance whatever, as far as I can see, that this amount will do the job and result in the completion of the seaway.

There have been many reports of congestion; there have been many reports of difficulty in navigating the locks; there have been many reports of inefficiency, of serious errors having been made in the construction of the seaway. A few weeks ago it was my privilege to be taken by a longtime friend of mine, who is himself an engineer and worked on the seaway for a considerable length of time, to view the various locks and facilities around Montreal. On examination although, of course, I do not claim to have any particular knowledge of the seaway—

Mr. Henderson: Since I came to parliament this is the first thing I have heard the hon. member say he did not know.

Mr. Argue: I appreciate that compliment from my hon. friend.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Argue: Mr. Chairman, at one o'clock I had been saying that I had the opportunity a few weeks ago to visit the St. Lawrence seaway in the vicinity of Montreal and to inspect the various locks in that area. I also said that I was in the company of an engineer who had been an inspector on the seaway itself. One needs only to glance over the sides of the St. Lambert locks, the Cote St. Catherine locks and the Beauharnois locks to see the huge bulges in the walls. These bulges appear to extend out about eight inches, and this is an almost unbelievable error in engineering and construction. This situation does not apply merely to one of the locks but is a consistent fault in almost all of the locks to which I have referred.

There has been a great deal of reference to boats striking the sides of the locks. If the eight inch bulges were not there boats could and undoubtedly would still scrape the sides but I am certain that because of these eight inch bulges on either side the likelihood of boats striking the walls as they go through the locks is increased. There are steel guards along the locks in sections about three feet long which are supposed to be bolted together. There is provision for a bolt to bind one guard to another. In a great many instances the bolts are not there at all and instead of the guards coming closely together they are a quarter of an inch or perhaps as much as half an inch apart. It was pointed out to me that as cables are used to draw vessels along it is quite possible from time to time for the cables to get caught in the spaces between the guards. The spaces are there at least in part because the bolts are missing that were to be used to connect the guards.

As one might expect, the gates are huge. They are called mitre gates. Again, it was pointed out to me that unlike other gates there is only one mitre on these gates. The

mitre is at the top and when the gates come together the mitre at the top assures that their closing will be synchronized and that they will come together correctly and in line. But with only one mitre at the top it has been stated that logs that have gone to the bottom could become jammed in the gates at the bottom and thus spring the gates, and the springing of the gates could cause very serious difficulty for the seaway.

I was also informed that the spare gates which are in the walls and supposed to be available for use cannot be used because the facilities to move them are not available and therefore for the time being at least the spare gates cannot be used. When the gates are shut they are to be relatively watertight. I believe that to mean that there may be some sweating and some very minor leakage of water when the gates are closed, but what it does not mean is that water will spurt through the gates. Some of the gates do not admit as much water as others but in some cases water is spurting through the gates. Water is coming up from the bottom a distance of three or four feet, I would judge from looking down, which means that the spurts of water come out under a great deal of pressure.

It was pointed out to me that as the end of navigation approaches and freezing weather sets in the leaks in the gates will bring about a substantial accumulation of ice which in turn will have to be knocked off and will make the seaway facilities more difficult to use. I was also informed that the bolts in the gates are in many instances one-sixteenth of an inch smaller than the holes in which they are placed. The difference between the size of the bolt and the hole in which it is placed allows water to leak around the bolts and this could also be a source of substantial trouble in the future.

In addition to the substantial quantities of water coming through the gates when they are closed, when the gates have been opened and the water has left the lock and the gates are being shut again one can see water coming up between the cement reinforcement blocks against which the gates are shut. Generally these substantial blocks of cement are in two sections and water can be seen coming through at the place where the two blocks fit together. Moreover, in the upper Beauharnois lock one can see water shooting up through the cement itself in the reinforcement blocks to which I have referred. In fact, the cement appears to be quite porous in that particular lock. If these reinforcement blocks are so porous as to allow water to come up through the cement I am certain that their life will indeed be limited.

Perhaps on a project of this magnitude it is inevitable that some faulty construction will appear but I understand that the faults to which I have referred were pointed out by the inspection authorities and that steps were not taken to correct them. If this is the situation, I think it is a very serious one and I believe there should be a very full inquiry into the matter.

I am suggesting that, although the government has refused it in the past, there should be a full inquiry by a House of Commons committee into the construction of the St. Lawrence seaway, into those very substantial faults that appear, and that there should be brought before that committee competent engineers who are acquainted with the seaway to testify as to why this faulty construction exists and to what extent it, in fact, endangers the life of the seaway.

The hon. member for Vancouver East placed a question on the order paper some time ago dealing with the construction of the Cornwall island high level bridge. The answer to question No. 5 is rather important. Question No. 5 reads:

> Are the river piers of the Cornwall bridge down to bedrock? If not, what is the distance from the bottom of the piers to bedrock on (a) the Canadian side; (b) the American side?

The answer is found on page 935 of *Hansard* for February 11, 1959, and is as follows:

> No, the piers were designed for and are founded on extremely dense glacial till.
>
> Main pier, No. 12--(a) west shaft, 20.1 feet; east shaft, 19.7 feet.
>
> Main pier, No. 11—(b) west shaft, 23.8 feet; east shaft, 23.9 feet.

This huge bridge, built at a cost of many millions of dollars, has piers which are not down to bedrock but merely placed on dense glacial till. I wonder why the extra expense was not incurred to put the piers down to bedrock? I am informed again that the cost of putting the piers down to bedrock would have been a relatively few thousand dollars compared with the many millions of dollars that were spent in the construction of this bridge. In reply to the hon. member for Vancouver East, there was further information given to show that there was a movement in one of the piers. I quote:

> Cable-bent pier No. 13—top of west shaft—easterly ⅛ inch and southerly ½ inch; Top of east shaft—westerly ½ inch and southerly 1 inch.

This shows the movement of the piers, and again I am informed that movement arises out of the fact that the piers were not put down to bedrock. I feel, Mr. Chairman, that there should be a full inquiry into the construction of the Cornwall bridge, that there should be a full inquiry by a committee of this house as to whether or not the bridge

is, in fact, properly constructed and whether or not it is a bridge that will last the normal length of time it would have been expected to last if it had been built down to bedrock.

I am told, once again by an engineer, that this bridge is doomed because the piers are not on bedrock but are on glacial till and cannot last the length of time that would be expected to be the normal life of that bridge. Mr. Chairman, that is a very strong statement, that statement I think coming from a man who was connected with the seaway, not the Cornwall bridge in particular but with the seaway, is one that warrants the most thorough investigation. If this bridge has been constructed in a faulty manner, this committee should inquire as to whether or not the bridge is, in fact, safe.

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

Mr. Argue: Yes.

Mr. Chevrier: Will the hon. member tell the committee who is the engineer who gives this information?

Mr. Argue: I do not know whether I should divulge the name—

Mr. Pickersgill: Just gossip.

Mr. Argue: I do not intend to be backed down on this.

Mr. Pickersgill: Just gossip.

Mr. Argue: It is not gossip.

An hon. Member: Give the name, then.

Mr. Argue: I did not ask this gentleman whether I could use his name on the floor of the House of Commons. I asked him whether or not, as an engineer connected with the seaway, he would be prepared to appear before a committee of the House of Commons to substantiate the things he said to me, the things I am relating this afternoon—

Mr. Chevrier: In view of the fact the hon. member is using this information and making it in part his own, does he not think that in fairness to the committee he should tell the committee who the engineer is?

Mr. Argue: I think I have gone sufficiently far—

An hon. Member: Too far.

Mr. Argue: Somebody says, "Too far"; I want to make this quite clear, that the engineer in question did not ask that I withhold his name. However, since I did not have his specific consent to use his name at this time I would prefer not to use his name.

Mr. Drysdale: You would have to do so if it went to a committee.

[Mr. Argue.]

Mr. Argue: The gentleman is prepared to go before a committee. He is prepared to substantiate the things I have said or corroborate them. Of course, the reference to how the piers are situated in the Cornwall bridge needs no substantiation. The facts are contained in the answer given.

Mr. Chevrier: There is absolutely nothing the matter with the Cornwall bridge.

Mr. Hees: May I ask the hon. gentleman a question? Is this gentleman to whom he is referring as an engineer a certain Mr. Grant who was employed on the seaway?

Mr. Argue: The answer is no.

Mr. Hees: Is he a certain Mr. Stirling?

Mr. Argue: The answer to that is no. I suppose the minister can keep on fishing. I said that this was a young man with whom I had gone to university and who has been a friend of mine for many years. I do not believe that makes him any less valuable as an engineer. I have not seen him for some time.

Mr. Drysdale: What kind of engineer is he?

Mr. Argue: I think a very good engineer.

Mr. Drysdale: Is he a civil engineer or a mechanical engineer?

Mr. Argue: I would say a civil engineer. I have seen myself the bolts missing from the guards; I have seen the bulges in the walls of the locks; I have seen the leaks through the gates; I have seen the water spouting up through the concrete as though the concrete were porous. I have seen plenty of evidence that would suggest to me that there should be a full inquiry and that the engineering staff that had to do with the seaway should be called before a committee, as well as other competent engineers and witnesses that any member of the committee might wish to have appear.

I believe this is a serious matter and should be dealt with soon. Accusations concerning the seaway have come, not only from this side of the house but from the hon. member for Carleton earlier in this session. At some later stage, he decided to say nothing about his original charges. On the basis of what I have seen, on the basis of information given to me by a man whom I believe to be a competent engineer—I am not myself saying that the things I have not seen are incorrect—I have stated the things I have seen myself and I am asking that a full inquiry be made.

Mr. Chevrier: Will the hon. member permit another question? Has the hon. member

seen—he has seen a lot of things—the contract which was entered into between the seaway authority and all the contractors which provides for the construction to be completed in accordance with the plans and specifications?

Mr. Argue: I have not seen the contract. I have a motion on the order paper for the production of a number of contracts. However, I am certain the contract would show that the bolts connecting the guards should be there and the holes should not be empty.

Mr. Drysdale: That is without seeing the contract.

Mr. Chevrier: May I ask the minister whether he is going to reply to the questions which I put to him before the luncheon recess?

Mr. Hees: Yes, I should be glad to do so. First of all, the hon. member for Laurier asked for a report on the operation of the seaway to date. I expect to be making in the not too distant future a report on the seaway authority and I feel that a little bit more time is required in order properly to assess the operation of the seaway, it being a little bit too early to make a proper assessment at the present time. With regard to the operation of the locks and so on, they are being studied very carefully and their operation compared to the operation of the United States locks or at least with the Eisenhower and Snell locks, which of course are United States locks, in order to see whether our locks are operating as well as theirs. As the hon. member knows, they have been in operation for a longer period of time than ours.

As to the Welland canal, as I have mentioned in this house already, we are examining all possible means of speeding up the operation of the canal. Specific matters that we are examining are possible construction of mooring walls between certain of the locks, and also a comparison is being made of the time taken in opening and closing lock gates at Welland as compared with the time taken to operate other lock gates in the new section of the seaway, down in the St. Lawrence section.

With regard to the other matter which the hon. member raised, namely the question of the land expropriations at Malton, I have jotted down a few points which I think would be of interest to him and to the committee. They are as follows. When I assumed office I found that while the great majority of the land expropriation cases at Malton had been settled, there were a number which had been outstanding for a long time. The department had had several different valuations made by individual appraisers, as well as by the departmental real estate staff. However, the member from that area quite sincerely believed that the valuations made and received by the department were too low and urged a further valuation. In view of the sincere belief of the member of parliament concerned that these valuations were too low and were unfair to his constituents, I felt that it was desirable that there should be a further appraisal made, and I agreed that this should be done. I also assured the hon. member that the results of this further valuation would be studied with the greatest care not only by my own officials but by officials of treasury board as well, in order to ensure that it got the fullest possible consideration. I did not go beyond that.

I was satisfied with the real estate qualifications of the individual who was suggested to me by the member from the area for the purpose of this appraisal and his services were retained. When his report was received it was studied in great detail by officials of my department and by officials on the staff of treasury board, as I had undertaken. Both were of the opinion that the valuations submitted were too high, and should not be accepted by the federal government. I made no formal submission or recommendation of these valuations to treasury board but, as the hon. member for Laurier knows, it is quite customary for matters to be discussed informally, both with treasury staff and at the board itself, without formal recommendations having been submitted; and this is just what happened in this case. Since both my department and treasury board felt that these valuations could not be accepted, the matter was allowed to proceed in the exchequer court in the manner provided by law.

Mr. Chevrier: Mr. Chairman, may I ask just a question or two. Did the minister not know that the valuator was the political organizer for the hon. member for Peel? Did the hon. member for Peel not tell him that?

Mr. Hees: No; I did not know that.

Mr. Chevrier: The minister did not deal with another question. Was there an agreement between the minister and the suppliant, Mrs. Drew, as alleged by her, that both parties would be bound by the Clare appraisal.

Mr. Hees: The answer is no, Mr. Chairman.

Mr. Chevrier: May I ask who discussed the agreement with the minister?

Mr. Hees: Mr. Chairman, I have taken considerable time and trouble to prepare a full statement on this matter. I have read it and I think everything I can possibly say

is there. It describes everything that I had anything to do with in connection with this whole matter. If it is not clear to the hon. member now, I am very much surprised. I have done my best to tell him of everything that went on, holding back nothing. I feel that I have made a good, full and clear statement outlining the whole proceeding.

Mr. Chevrier: I am sure the minister has done his best. I commend him for having gone to the trouble of making the statement which he has now made and which he had not made this morning. But although he has gone that far, I do not think he has gone far enough. I think it is our privilege here, on the estimates, to obtain further information if we feel it is desirable to do so. I asked a question and the minister avoided it by saying that he had made a full statement. The statement is good as far as it goes, but I should like some further clarification of it. Since the minister has said that there is no agreement such as the one I have suggested in my question, then I ask the minister who discussed the agreement with him because the judgment clearly states that there was a discussion of an agreement between the hon. member for Peel and the minister that both parties would be bound by the appraisal. I therefore ask the minister if he discussed the agreement with him.

Mr. Hees: Mr. Chairman, I am not quite clear as to what agreement the hon. member is referring. I have told him that there was no agreement except that the valuation made by Mr. Clare would be examined by my officials and by the officials of treasury board. I cannot make the situation any clearer than that.

Mr. Chevrier: The agreement to which I am referring is the one mentioned in the judgment of Mr. Justice Thorson wherein he stated that there was an agreement between the member acting on behalf of the minister and the parties that they would be bound by the appraisal of Mr. Clare and further that he got these people to sign an agreement to that effect. The minister has seen the judgment.

Mr. Hees: Mr. Chairman, as I said earlier, it is not my place, as the hon. member knows, to discuss this judgment which has been given by the presiding judge and I do not intend to do so. I have told the hon. member for Laurier all I know of this case and the exact manner in which I became connected with it. I can tell him no more and I cannot say it any more clearly than that.

[Mr. Hees.]

Mr. Chevrier: Can the minister say whether there was an agreement.

Mr. Hees: I have no idea what went on, if anything, between the hon. member for Peel and this Mrs. Drew.

Mr. Chevrier: Then am I to take it that as far as the minister knows there is no agreement such as the one I have suggested.

Mr. Hees: Mr. Chairman, I have said that I have no knowledge of any agreement.

Mr. Chevrier: May I ask just one further question. Was there any correspondence between the minister and the hon. member in this case?

Mr. Hees: Yes. I think there were a couple of letters that I wrote to him discussing this thing in the early stages.

Mr. Chevrier: Will the minister table that correspondence?

Mr. Hees: I think that correspondence was introduced in the court case. I have no hesitation in tabling it.

Mr. Pickersgill: There are a couple of questions that I should like to ask the minister about the statement he made. He said he was satisfied with the real estate qualifications of Mr. Clare. Can he just give the committee what those qualifications were.

Mr. Hees: I said that my departmental officials were satisfied with his qualifications. I am not a real estate expert.

Mr. Pickersgill: No; that is not my point.

Mr. Hees: The real estate branch of my department was satisfied that Mr. Clare is a competent valuator and one capable of carrying out fairly such an evaluation.

Mr. Pickersgill: I would not expect, of course, that the minister would have this information in his personal possession. But the officials of his department would not satisfy themselves of this fact without having some kind of documentary evidence of the previous experience of the gentleman. I wonder if we could be told how many years he had been an evaluator and what kind of evaluations he had done, and what previous experience he had had. Surely, in view of the very unusual functions which had been given to him by the department, and the taxpayers' money which has been spent, it is only reasonable that we should be given such information as this.

Mr. Hees: There is no problem about this. I will be very glad to produce that information. Hon. gentlemen opposite are trying to get an atmosphere of mystery into this, a cloak and dagger atmosphere. There is nothing to hide. This man is a competent

real estate evaluator and I would be very glad to tell the committee on what basis the department decided he should be given this job. The hon. member said this was an extraordinary assignment which he was given. It is nothing of the kind. This kind of evaluation is being done all the time by outside evaluators. What is so extraordinary about this assignment? Would the hon. member mind saying?

Mr. Pickersgill: Not at all, but I think we are supposed to be questioning the minister, not the other way around. One of the extraordinary features is that this appears to have become a *cause celebre* in the courts. That is not usual in these matters, though it does happen from time to time. I am not seeking to cast any reflection of any kind. I am merely trying as a representative of some of the taxpayers to find out what this man's qualifications are, and I understand that the minister is quite prepared to give us this information as soon as he can get it from the department.

Mr. Chairman, I spent a good many hours of my time between 1953 and 1957, not as a member but as one of the substitutes on the treasury board. I sat there for a good many hours and took a great deal of interest in the work. I think I can claim to have a reasonable familiarity with the procedures, and I was interested in what the minister has told us about the relationship of this whole matter to the treasury board. The hon. gentleman said he gave the hon. member for Peel an undertaking—and I will stop at once if I make a mis-statement—that he would bring this valuation to the attention of his senior officials and of treasury board officials. I have not looked this up, and if I am wrong I stand to be corrected, but I think on an earlier occasion—the first time the minister mentioned it—he said he had undertaken to bring it before the treasury board.

Mr. Hees: If I said that, what I had in mind was the treasury board staff.

Mr. Pickersgill: The minister did not mean the treasury board at any time. I want to be completely fair about this. In other words, there was never any undertaking given to the member for Peel that this valuation would be submitted to the treasury board?

Mr. Hees: No. As the hon. member very well knows, if a matter is submitted to the treasury board it goes with the recomendation of the minister.

Mr. Pickersgill: Exactly.

Mr. Hees: That was not so in this case.

Mr. Pickersgill: There was no undertaking given to submit it to the treasury board.

Mr. Hees: I have tried to make that clear a number of times, that there was no undertaking by me to submit it to treasury board. I asked that these valuations be examined by the treasury board staff who are experts in this whole matter.

Mr. Pickersgill: Quite. I am merely seeking to establish the facts. The minister could, perhaps, just reply to my questions in the same spirit as they are being asked. The minister did say in his statement, however, that there was an informal discussion with the treasury board. Now the treasury board is a committee of the cabinet, and I am not seeking to pry into cabinet secrets or anything of that sort. I have no intention of doing so, and I am not going to ask about the nature of that discussion. But I do say that in the years when I was a member of the treasury board—and I can be wrong—I do not recall a single instance where a matter of this kind was brought before the board, as distinct from the officials, without a formal submission from the minister concerned. When we were in office the board was very busy with submissions from ministers, and the minister, if I apprehend his statement correctly, said that it was not an unusual thing for a matter of this kind to be discussed by the board. What I am trying to get at is this: did the board have this valuation before them and discuss it?

Mr. Hees: I should like to correct the hon. member. I said, when I made my statement, that it was quite customary for matters to be discussed informally; not "matters of this kind" particularly.

Mr. Pickersgill: It is the last part of that sentence—

Mr. Hees: It is right here.

Mr. Pickersgill: Could the minister read the whole sentence? Perhaps that is the simplest way.

Mr. Hees: Very well. I said:

> I made no formal submission or recommendation of these valuations to treasury board but, as the hon. member knows, it is quite customary for matters to be discussed informally both with the treasury staff and at the board itself without formal recommendations being submitted and this is just what happened in this case.

Mr. Pickersgill: I am glad to have my memory refreshed. Now my question is simple. Was this discussion a discussion with the board as opposed to a discussion with officials?

Mr. Hees: It was not discussed as a formal submission by myself. I am advised that the members of the staff discussed it informally with members of the treasury board.

Mr. Pickersgill: But it was never before the board?

Mr. Hees: No.

Mr. Pickersgill: Fine.

(Translation):

Mr. English: Mr. Chairman, I listened with great interest to the report made this morning by the Minister of Transport (Mr. Hees) on the activities of his department. I congratulate him warmly for the magnificent work he has been doing until now. I also thank him for the interest he has always shown towards the problems of my constituency, and I am sure that that interest will take tangible form in the near future.

Among those problems, there is one I am keen on solving, since it is of interest, not only to the people of my constituency, but of that of Riviere du Loup, Rimouski, Matane and Bonaventure.

Mr. Chairman, it is inconceivable that in 1959—more than four centuries after Jacques Cartier landed at Gaspe—a part of my area, so rich in forests, fisheries and in ore of all sorts, should be deprived of a railway, that indispensable means of communication for the economic development of a country.

At the present time, several mining companies which have staked claims in that area are waiting only for the building of the railway, from Matane to Sainte Anne des Monts, to develop those mines. Several important corporations are also interested in establishing industries there but, they too are waiting for that indispensable means of communication.

The Gaspe area has been isolated for a long time. Until 1938, there were no decent roads and no electricity; but today, electrification has been extended throughout my county; and you know, sir, that electricity is as indispensable as a railway to the development of an area. We therefore only lack a railway to develop the natural resources of that constituency.

The province of Quebec has not been favoured very much with railway construction. In the Canadian National Bank monthly bulletin for February, 1959, we note the following:

A rapid glance on the railway map for 1956 reveals that the provinces have not been equally favoured. Federal statistics break down as follows the length in miles of railroads by province:

Newfoundland	934
Prince Edward Island	285
Nova Scotia	1,391
New Brunswick	1,799
Quebec	4,940
Ontario	10,516
Manitoba	4,974
Saskatchewan	8,721
Alberta	5,680
British Columbia	4,015
Yukon	58

Further on, the bulletin goes on to say:

There is no doubt that the province of Quebec is clearly less favoured than other areas; with 30 per cent of the population, it has only 11 per cent of the railroads. Existing railroads in the province are often only sections required to link the Atlantic with the Prairies. Why, for instance, was not Abitibi linked with Montreal by an extension of the Montreal-Mount Laurier railway? Why postpone the building of the Matane-Gaspé section, which would serve so interesting an area?

Well, Mr. Chairman, you have there an outline of the railway situation in Quebec, as confirmed by the statements in the monthly bulletin of the Canadian National Bank.

We read also in the *Daily Report* of the Canadian National Railways, for February 1959, the following:

(Text):

New Gaspe Line Would Help Campbellton—Construction of a railway between the town of Gaspe and Matane would enhance the position of the city of Campbellton as a distribution point for the entire Gaspe peninsula, believes the Saint John *Telegraph-Journal* of February 25, 1959. "It would mean that, in addition to the present railway service to Gaspe and the highway transport system to all points, the entire area would be served by rail.

Completion of the Campbellton-Cross Point highway bridge across the Restigouche river in about a year will mean that only the bridge will lie between Campbellton and the Cross Point station on the present railway line to Gaspe. Rail shipments for Gaspe at present go westward from Campbellton to Matapedia and thence eastward again to Gaspe. With completion of the bridge, such shipments could be trucked to Cross Point for shipment eastward without making this rail detour as at present.

Rail shipment from Campbellton to points east of Matane on the St. Lawrence would go by way of Matapedia to Mont Joli, thence to Matane on an existing rail connection and then by way of the proposed new railway line. This would apply up to some point between Matane and Gaspe where the optional distances around the peninsula become equal."

(Translation):

Mr. Chairman, when, in 1957, I made my maiden speech in this house, I urged the government to build this railway line between Matane and Gaspe. I mentioned the matter again in 1958, and I am proud to raise it again today.

As I was saying a moment ago, we have a great wealth of natural resources, as well as qualified workers in Gaspe. Our young people are strong and, what is more important, they have pluck. There are many good sites for new industries, but investors are not taking any chances, because there are no means of transportation. The northern part of the Gaspe peninsula is completely isolated.

In 1959, at a time of prosperity and of high technical progress, barges are still being used to carry goods from Montreal or Quebec, and they can be used only in the navigation season, which lasts 4 to 5 months. That is a striking and dangerous inconsistency for the economic life of that part of the country, and also for the family life of its people. Having to find work elsewhere in order to support his family, a father has to spend a large part of the year away from his wife and hardly ever sees his children. The children, left only to the care of the mother, often leave home at a very early age. It is easy to realize the moral responsibility of the government in the face of such chaos.

The authorities realize this, they are aware of the situation, and if I raise the matter again it is because I know that something can be done and, I hope, will be done. I want each of my honourable colleagues to know that my constituency, which stretches over a distance of 320 miles and is populated by large families, is not seeking any favours. However, it wants to share in the general prosperity of this great country, and it is calling out loudly, sometimes desperately, for its due. My constituents will feel they have largely received their share when a railway is built between Matane and Ste Anne des Monts.

Oh, Gaspesians are patient alright. Indeed, they have been asking for this railway for 20 years. For 20 years, the previous administrations have considered the matter as insignificant. However, the people of Gaspe showed that their patience can reach a limit, and placed their trust in the Conservative party. I know that this government, and particularly the Minister of Transport (Mr. Hees), will see that this problem is settled, and I do hope it will be soon.

I do not believe that Mr. Gordon, for whom I have great respect, can decide whether a railway is important or not for the Gaspe peninsula. Members are elected to point out to the government the needs of their constituents. If action on this project is left to the bureaucrats, the member's prestige will suffer, and I know that such is not the intention of the present government.

Before closing, I must also commend the government, and particularly the Minister of Transport, for the improvements made to the railways between Matapedia and Gaspe. Up to 1957, a trip between those two points took 11 hours, whereas the same trip now takes six hours. The train is always filled with passengers, and I am sure the Canadian National Railways is not losing money on it. I hope that, by 1960, I shall be able to rise again in this house, not to press for this railway, but to thank the government for carrying out a project that is dear to the hearts of the member and the people of Gaspe, namely, the construction of a railway linking Matane and Ste Anne des Monts.

Mr. Pigeon: Mr. Chairman, I have no wish to delay the passing of these estimates, but I would like to deal with an urgent issue. On behalf of the municipal authority and the citizens of Repentigny, I would ask the Bell Telephone Company of Canada to put in the extended sector service in the town of Repentigny, one of the most progressive collectivities in the federal riding of Joliette-L'Assomption-Montcalm.

Mr. Chairman, the municipal authorities of Repentigny, the chamber of commerce and the citizens' association, have, on many occasions, approached the Bell Telephone Company of Canada asking it to grant, as far as possible, the service asked by the people of that progressive locality. Mr. Chairman, the Bell Telephone Company of Canada is treating Repentigny as if it were an underdeveloped locality. I would not like that company to think that this town is part of a Colombo plan country, but it is located in Canada, i.e. in a wealthy progressive country which is setting the pace for the whole world in this field.

At this time in Repentigny, almost 400 subscribers of the telephone company still use the crank-up telephone, a 30 year old gadget. The company goes on multiplying users of a single line and we are now up to 16 on the same one, which, in this case, can, indeed be called a party line.

Mr. Chairman, the Bell Telephone Company of Canada is a public service corporation which has to keep abreast of the progress of towns like Repentigny. The company has made an $11 million profit during the first quarter of 1959, i.e. $3 million more than in the same period of 1958. Company profits have gone up from $7,299,118 in 1946 to $29,146,855 in 1956. Those revenues are, as a matter of fact, only apparent ones, for the real profits are much more considerable. The company has increased its depreciation reserves to $247,347,199 and its deferred taxation reserves to $58,133,562.

The Bell Telephone Company of Canada has practised automation on a high scale

reaping enormous profits. Telephone subscribers should also benefit accordingly.

Before concluding, may I be allowed, Mr. Chairman, to read out, or to give the substance of a brief submitted by the chamber of commerce of Repentigny to the president of the Bell Telephone Company of Canada. These are the points made to the company by the Repentigny chamber of commerce:

(a) the chamber of commerce considers that by the crank up telephone service part of the town of Repentigny is isolated from the rest of the locality within the same territorial limits from the public site known as the Chateau du Fleuve;

(b) The chamber of commerce considers that there is complete confusion in the telephone service, because that part of the town has to communicate through the St. Paul l'Ermite central to speak with another point within the same town of Repentigny and that moreover, in order to communicate with subscribers living east of the town, it is necessary to resort to long distance service.

(c) The chamber of commerce considers that the Repentigny central should be autonomous, and that causes for discrimination within the limits of one and the same municipality should disappear.

(d) The chamber of commerce considers that the town of Repentigny should enjoy direct service with Montreal, like other municipalities in the area which have such service;

(e) The chamber of commerce considers that its territory is definitely situated within the 15 mile radius, and that every effort should be made to admit this geographical fact, rather than to attempt to evade the issue by any means, either by dealing with it from the point of view of "central to central", "sub-branch", or any other angle which does not agree with the facts.

(f) The chamber of commerce feels it is very easy and even necessary to set up any telephone central on Bourdon Island;

(g) The chamber of commerce considers that a study should be made and reports submitted on the possibility of using the cable facilities as they exist on the LeGardeur de Repentigny bridge (there are 12 of them, we are told).

Mr. Chairman, that problem has been existing in the town of Repentigny for some years. The town of Repentigny has enjoyed extraordinary development in recent years. It has residences of great value and, once again, after all representations made by your humble servant, by the authorities and associations of that town, I ask, once and for all, the Bell Telephone Company of Canada to settle that problem in order that the progress of that town in the federal constituency of Joliette-L'Assomption-Montcalm, be not paralyzed.

I would also ask the company if, in English speaking centres—

The Chairman: Order. I must point out to the hon. member for Joliette-L'Assomption-Montcalm that he has been out of order for quite some time. It is with regret that I must interrupt him, but I cannot allow him to go on with his remarks about the Bell Telephone Company, in connection with Repentigny, in this debate.

Mr. Pigeon: Mr. Chairman, you will excuse me. I thought the Bell Telephone Company of Canada came, to some extent, under the transport commission, which in turn, as far as its estimates are concerned, comes under the Minister of Transport (Mr. Hees).

Mr. Chevrier: Mr. Chairman, before I come to the main part of my remarks, I should like, with your permission, to address a few words to the hon. member for Gaspe (Mr. English).

I congratulate him on the speech he has just delivered about the construction of a railway in his peninsula. It is one I have been hearing about for a long time, since I have been here in the House of Commons, but I should like to remind him also that the Prime Minister, who is now in the house, has also made very pertinent statements during the election campaign about that railway. Therefore, without casting any reflection on him, I will say that one of the peremptory statements he made was to the effect that in his opinion, there was no railway extension which deserved more sympathy and a more generous study than that of my hon. friend because, he said, he believed in a national development program for Canada, and the building of that railway was one of the projects which should be contemplated.

Now, during the sittings of the committee on railways, canals and telegraphs I inquired from the president of the Canadian National Railways whether he intended to include, in the estimates for 1959-60, an amount for the construction of that railway, and he bluntly replied no.

I hope the hon. member will continue putting pressure on the government and on the minister for the carrying out of this project, and I can assure him that we, on this side of the house, will give him our hearty support.

(Text):

Mr. Diefenbaker: After 22 years you are going to suport that? Why did you not do something when were in power?

Mr. Chevrier: I thank the Prime Minister for the interruption. It is true that we were in office for 22 years but there was no promise made either by the former government or by the minister of transport. I hold in my hand

—and I do not want to delay my own remarks—a clear-cut undertaking by the Prime Minister—

Mr. Diefenbaker: Read it.

Mr. Chevrier: —when he was in that area that he would give careful consideration to it.

Mr. Diefenbaker: That is what I did.

Mr. Chevrier: The Prime Minister said "read it", and I will read what he said at Mont Joli and at Ste. Anne des Monts on February 26, 1958:

> The line is the type of project that we have in mind for opening up Canada, the type of project that should receive first consideration in any national development program.

Mr. Diefenbaker: That is right.

Mr. Chevrier: I say it does not look very much as if that railway has received much consideration because when the president of the Canadian National Railways was here he stated positively that no funds were included in the estimates of the Canadian National Railways for either 1959 or 1960 to deal with a matter of this kind.

(Translation):

Mr. Tremblay: You have kept promising a railroad in my area for 22 years.

(Text):

Mr. Chevrier: I want to turn to another problem which is of importance to me and I think to the committee generally, but before I do that I will not take the opportunity of attempting to reply to what was said by the hon. member for Assiniboia although I could deal with the matters which he raised because I had some association with them in the early stages. I think I shall leave that to the minister who is much more capable than I am to deal with it because he has the facts at his disposal, and I do hope that before the first item of his estimates is disposed of he will deal with the charges that were made.

I rose to deal with another matter affecting the St. Lawrence seaway, namely one which has to do with the development of power and navigation in the Lachine section. It is not only of importance to those who live in the metropolitan area of Montreal but it is, I know, of importance to the officers of the St. Lawrence seaway authority and those of the Department of Transport. I refer now, of course, to the joint development of navigation facilities and power facilities in the Lachine section. As the house knows, the seaway authority proceeded to develop navigation facilities in the Lachine section independently of power following approval of the St. Lawrence Seaway Authority Act in 1954 and thereafter. This is a matter which has engaged the attention of the public for some time in the Montreal area and I shall attempt to deal with it as objectively as I can.

It has recently been stated that the Quebec government had good reasons for not carrying out the development in conjunction with the St. Lawrence seaway authority; that had Quebec proceeded with the development of power at Lachine the cost would have been far in excess of what it will be if Quebec goes ahead alone, and that this decision is based upon the opinion of qualified hydro experts. That is not what the qualified experts of Quebec hydro thought for a long time and, as a matter of fact, over a long period of years.

In 1948 the government of Canada established what was known as a board of engineers to deal with the improvement of the Lachine section of the St. Lawrence waterway. The board was composed of distinguished engineers, Mr. R. A. C. Henry, then chairman of the air transport board; Dr. T. H. Hogg, who was at one time chief engineer of Ontario hydro; Dr. Arthur Surveyer, an outstanding engineer in the city of Montreal; Mr. Guy Lindsay and Mr. C. W. West, then employees of the Department of Transport. At the time of this report the engineers who made the report asked the experts of Quebec hydro for their opinion on this whole matter and Quebec hydro undertook to organize an enginering staff to carry out the investigations necessary for the preparation of estimates covering a combined navigation and power project.

As a result, Quebec hydro after extensive studies submitted five different projects for the consideration of the board and the board, after reviewing these projects and in consultation with the representatives of Quebec hydro, selected two projects for power development which embodied the best features of the five projects submitted, either of which would provide the navigation facilities required and permit full utilization of the power available. The estimates of cost prepared by the engineers of Quebec hydro were adopted by the board with some slight increases.

I should like to refer to page 9 of this document, which is a public document tabled in the house, and ask that it be given consideration. On page 9 there is a detailed statement of the cost of improving the Lachine section for navigation alone. That is fixed at $87 million. On page 10 there is a detailed statement prepared by Quebec hydro of the cost of improving the Lachine section for power, and that amounts to $213 million. That makes a total of $300 million for the development of navigation and power in the Lachine section. Then there is another

detailed statement on page 10 showing the cost for a joint power and navigation development prepared by the officials of Quebec hydro in the amount of $266 million. Therefore anyone who looks at this report can see at once that there would be a saving of $34 million were the matter to be proceeded with jointly rather than separately, and these are the estimates prepared by the engineers of Quebec hydro. This is not only prepared by them but it covers a power development in the vicinity of Victoria bridge to the extent of 1,200,000 horsepower so that in accordance with the figures of Quebec hydro's own officials a joint development in 1948 would cost $34 million less than a separate one.

I should like to consider for a moment what transpired later. This is what happened. The then chairman of Quebec hydro and other officials thereof made their position clear to the officials of the St. Lawrence seaway authority. They stated that, speaking for themselves as private citizens and not as members of the hydroelectric power commission of Quebec and without having had any discussion with the premier of the province, they thought it would be extremely unwise to separate the development of the Lachine section into navigation and power. They thought that the development should be done jointly according to the plans prepared by the board of engineers in 1948 with which I have been dealing.

Mr. Balcer: May I ask the hon. member from what document he was quoting?

Mr. Chevrier: I am afraid the Solicitor General was not in the house when I gave that information. I am quoting from the 1948 report of the board of engineers.

Mr. Balcer: What was the last document?

Mr. Chevrier: So far as the last document is concerned, I have stated that the Quebec officials thought that the development should be done jointly according to the plan prepared by the board of engineers in 1948, with the modification that the canal should be on the south side rather than on the north side. Is there anything my hon. friend would like to ask?

Mr. Balcer: I should like to make the record clear. You have quoted the chairman of the hydro commission as having made a certain statement independently, speaking personally, and not as chairman of the hydro commission. I am wondering what kind of document you are reading from.

Mr. Chevrier: I will tell my hon. friend what kind of document. If my hon. friend will take the trouble to go to the pertinent department and consult the file he will find that everything contained in my speech is on the record.

An hon. Member: Don't lose your temper.

Mr. Chevrier: I will do my best not to. He will find there that there is no doubt that all along the line the engineers of Quebec hydro felt that this should be a joint development rather than a separate development. So interested was Quebec hydro in the joint project that in 1951 it made a revision of the costs I have mentioned for a joint development in the Lachine section. This estimate amounted to $360 million without interest during construction, and that was made in October of 1951.

No further estimates were made by Quebec hydro as far as I am aware but the engineers of the Department of Transport made a further estimate on the basis of the price level in midsummer, 1953, and that estimate amounted to $400 million for the project which I have been discussing. The estimated cost of the construction of the canal for navigation alone in the Lachine section, adopting the location on the south shore, was approximately $125 million without interest during construction.

Still later, in May of 1954, the then chairman of the Quebec hydro commission—this is not just conjured up—made the suggestion that if an arrangement could be arrived at with the province of Quebec similar to that which was arrived at between the federal government and the province of Ontario in 1941 then his opinion was that he would be willing to recommend the joint development in the Lachine section if the federal government would do both works, the navigation works and the common works, and finance the whole project, Quebec hydro agreeing to pay back on the following basis, one-third in five years, one-third in ten years and one-third in fifteen years. That is not conjured up. That is a matter of record which my hon. friend can see if he will go to the trouble of looking at the files.

Then, in 1956 a commissioner of Quebec hydro announced in New York city that the Quebec government was going to develop power at Lachine and in January of 1959 a member of the Quebec government was reported to have made a similar announcement. Notwithstanding these two announcements, the province has not proceeded with the development.

However, it is well known that a firm of engineers has been appointed to study the problem and that plans for a two stage development, one at Heron island capable of developing 850,000 horsepower and the other

below the Victoria bridge, capable of developing 350,000 horsepower, have been prepared. These engineers have now been appointed for three years, and surely the public is entitled to know what their recommendations are, and what the plan is. After all, all of the engineering reports beginning with the international section and going right down to Lachine including Beauharnois, ever since they have been made from 1921 on, have been made public and submitted to this house. There is no reason why any other plans having to do with this matter should not be made public so that at least those of us who have an interest in it, the engineers who have an interest in it, could study them and give them consideration.

The question arises, why are they not produced? Why are they not made public? What is now envisaged clearly is a two stage development in that area. It may be possible to develop Lachine in two stages. Either one of these two stages might well cost the province less money if done separately, but they will cost the province more money if done together. What has always been envisaged is the development of 1,200,000 horsepower of electricity. It now looks as if the province is hedging on the development at Victoria bridge, alleging that frazil ice down the river is going to affect the potential. The question is rather this: Has the construction of the diversionary railway Victoria bridge precluded the province from a one stage scheme? The Canadian National Railways have now proceeded to construct that bridge on the assumption that there would not be a joint development of power and navigation in the vicinity of Victoria bridge. Proceeding with a one stage scheme might well mean the raising of two bridges instead of one, with a consequent loss of power below Victoria bridge amounting to 350,000 horsepower.

I come now to another matter which is germane to this discussion. It is the fact that the federal government made a substantial contribution toward the development of power in the international section. It is inconceivable to me that the federal government, if it had been asked to make an analogous contribution in the Lachine section or in the Beauharnois section, would not have made it. Now, what were those contributions? As the committee knows, the federal government did not proceed on the basis of the 1941 agreement upstream. This was discarded in the international section. It proceeded on another basis, that is that Ontario would pay for all the power facilities and the federal government would pay for all the navigational facilities, so that the old division of 37½ per cent navigation as opposed to 62½ per cent power was discarded for the time being, each party paying its own costs.

Nevertheless, Canada agreed to contribute no less than $30 million for the development of power in the international section, $15 million before the work was started. There are some parts of that sum of money that are going to be voted during the consideration of the minister's estimates now. The federal government agreed to contribute $15 million toward the development of power in the international section. This was in lieu of so-called common works. Then, later on, when an impasse arose over the tailrace dredging to be done downstream in accordance with the order of approval of the I.J.C., dated October, 1952, there was a large amount of work that had to be done amounting to about $37 million, and of that the power entities agreed to pay $12 million leaving a balance of $25 million, $15 million of which was absorbed by Canada, again as assistance toward power development in the international section.

The point I make is this. It is inconceivable that the federal government would contribute $30 million toward power development upstream without being morally and equitably, if not legally, bound to contribute a similar amount downstream. By refusing to accept the advice of Quebec hydro, therefore, the government of Quebec lost an opportunity of a similar payment. Since the government of Quebec has, to all intents and purposes, decided to isolate itself in this, as in so many other matters, it would appear that a contribution of this magnitude may well be lost to the province forever. I think the house should know about this, as well as about a letter which was written by the late Mr. Mackenzie King, on March 12, 1941 to be exact, to the then premier of Quebec dealing with development in the Lachine section and in the Beauharnois section. He wrote saying, you have the right to develop power there jointly with us for navigation purposes, and we will do thus and so in the Beauharnois section and the Lachine section. I am quoting from page 71 of the correspondence and documents tabled in this house dealing with the great lakes-St. Lawrence basin development, 1938-1941:

> With this end in view, the government of Canada would be prepared to undertake that, if and when Quebec takes over the control and operation of the Beauharnois development, there will be paid to the government of Quebec, by the government of Canada, the sum of $7,972,500.

This is nearly $8 million. As I have indicated before in this committee, that sum is worth far more now when you compare the

value of the dollar in 1959 with what it was then. I say, therefore, it is unfortunate that these sums which were legally undertaken by the federal government, were at least morally and equitably committed in these documents as well as in the contribution in the international section. I say that because the government of Quebec has lost a great opportunity to obtain a substantial payment toward two projects which are urgently required in the area.

I did want to speak about one or two other matters. I know that there are members here who want to speak, so I will not delay the committee. Perhaps I could conclude my remarks by thanking the minister for agreeing to table the correspondence with the hon. member for Peel, as he undertook to do earlier. I wonder whether he would not be good enough, while doing that, to let the committee have the minute of treasury board appointing the appraiser and which, I take it, defines his functions, and any other papers relating to his appointment and to his duties.

Mr. Winch: Still dealing with one matter affecting the St. Lawrence seaway, I was wondering whether the minister could give us an up to date report on the situation with regard to the relationship of the department or the seaway authority with the various contractors and their payments, especially their demands or requests for additional payments. I was most anxious to have an up to date report because the committee will recall that on March 9 the house authorized an order for return in the following words:

> For a copy of all correspondence, telegrams, reports, briefs and other documents exchanged between the Minister of Transport or his deputies, and any official or agency of the government and any person, persons, or organizations, since December 1, 1958, dealing with claims made by contractors for payments from the St. Lawrence seaway authority.

As I say, Mr. Chairman, that order for return was passed in this house on March 9 and the department finally filed the return under sessional paper No. 165E on May 21. I will admit that it was quite a voluminous return and I have read it carefully. But I have one question I should like to ask the Minister of Transport. In view of the wording of the return, for all reports, briefs and other documents exchanged with any person, persons, or organizations since December 1, 1958, can he assure the committee that this sessional paper No. 165E fully conforms to the order of this house with regard to the filing of all documents?

I may say that I have been advised that it does not contain all the documents, especially a number which I had in mind when I moved for the order for return. I know that there are certain individuals who seem to be persona non grata with the department as far as their names or their actions are concerned. I do not know the exact qualifications nor do I have a great deal of information about certain individuals, but I know that at approximately 11 o'clock this morning I was handed an affidavit. I was not going to put myself in the position of saying that certain papers which should have been filed had not been filed merely on the statement of an individual about whom I do not know a great deal. I felt that if that person wanted to put his information in the form of an affidavit, I myself would be protected when I make the statements I am now making. I am informed through the medium of this affidavit—

The Acting Chairman (Mr. McCleave): Order. Would the hon. member indicate whether he is going to ask the committee for permission to file the affidavit? Before he proceeds I should like to know that.

Mr. Winch: I will give all the information you want.

The Acting Chairman (Mr. McCleave): Is the hon. member going to reveal the deponent of the affidavit?

Mr. Winch: It is an affidavit. I most certainly will do so.

The Acting Chairman (Mr. McCleave): Does he wish to file it?

Mr. Winch: I have no reason for not doing so. I have read it so I could table it with the committee. It is an affidavit that was made by Rothwell Grant in the city of Montreal in the province of Quebec. The affidavit was sworn before a notary public, commissioner et cetera in the city of Ottawa on the 14th day of April of this year. In the course of this affidavit it is stated that the Minister of Transport met with certain individuals here in Ottawa in the minister's office on the 22nd day of December, 1958 and certain information was given to the minister and certain photographs and photostats relating to the seaway construction together with copies of documents were shown to him and at his request were left with him. The affidavit further states that on two other occasions the same information was supplied to his department. According to the affidavit his department has had and he has himself seen and received the following:

> (i) Minutes of a meeting of seaway general contractors dated February 4th, 1958;
>
> (ii) Report to St. Lawrence seaway authority contractors on meeting with Mr. F. B. Common, dated February 7th, 1958;

(iii) Notes of a conference of St. Lawrence general contractors, dated February 12th, 1958;
(iv) Draft outline for brief to Canadian government by a group of contractors on the St. Lawrence seaway;
(v) Sumary of situation;
(vi) Warnock-Hersey progress report No. 129.

I do not know of any information other than what is contained in the affidavit except this. If that information is correct—and it is a sworn statement; and I am not blaming the minister because he cannot go around collecting all the documents and everything —if he met with certain people; if he saw certain photographs and documents; and if not less than three copies were in the hands of his department even prior to that time, then I think we are entitled to know by whose authority officials override an order of the House of Commons for a return for all correspondence, telegrams, reports, briefs and other documents exchanged between the Minister of Transport or his deputies and any official or agency of the government, and any person, persons, or organizations since December 1, 1958.

I am not going to say anything more than that. I hope the minister will give an explanation or clarify the situation. Beyond that, I feel there is still a strong interest among the general public and among the members of this House of Commons with regard to what the situation is in connection with the claims of the contractors and the position of the government in respect thereto. I know that several weeks ago certain information was given by the minister. I am hoping that he can now bring us up to date on the situation.

Mr. Hees: Mr. Chairman, I shall be very glad to do so. With regard to the other matters of which the hon. member spoke, wherein he stated that certain material had been withheld from a return, may I say that I am not familiar with that matter although I certainly will have it checked up. If there is anything which should have been submitted and which was not submitted, I will certainly see that it is submitted. I would appreciate it greatly if the hon. member would give me the affidavit so that I can check the material to which he has referred.

Mr. Winch: Yes. I am filing the affidavit.

Mr. Hees: As to the situation in connection with claims at the present time, as of today claims have been received amounting to $38,959,957 on 30 contracts.

Mr. Chevrier: May I interrupt the minister there?

Mr. Hees: Yes.

Mr. Chevrier: May I just ask if there is any change between that statement and the one he gave in the house in answer to a question?

Mr. Hees: Yes. I am told that the total has been increased. The present status is as follows:

	Amount of claim	Amount paid
Claims settled ..	$1,484,028	$746,899
Claims refused ..	7,167,412	
Awaiting disposition	30,307,617	
	$38,959,957	

These figures do not include a claim of unstated amount under contract 6 in 1956. Negotiations resulted in a unit price adjustment costing $1,918,564.

The authority has reached conclusions on four claims totalling $3,490,457 on which negotiations are pending. A great deal of work has been done on the remainder totalling $26,817,160; but pressure on the engineering staff in connection with the final phases of construction, and a great variety of problems in readying the seaway for operation, has prevented them from concentrating on the claims.

The Acting Chairman (Mr. McCleave): Order. Before the committee proceeds further we should straighten out the matter of the affidavit referred to by the hon. member for Vancouver East. Some leeway was allowed in the debate, because nobody raised a point of order and the chair felt itself in the hands of the committee. It is not in order for the hon. member for Vancouver East to ask to table the document, but it would be in order for him to ask that it be included in the record of the debates today.

Mr. Winch: It is here for all members to see.

Mr. Chevrier: I wonder if it would be possible to see that document? I should like to see it very much, because I have heard a great deal about this gentleman and I should like to read the affidavit. How this should be done I do not know, but if it has been used I think it should become the property of the committee.

Mr. Winch: It is of great length. I do not see how I could ask that it be placed on record in *Hansard*.

The Acting Chairman (Mr. McCleave): The committee could receive the document for the use of members without the necessity of if being printed in *Hansard*, if it is so agreed.

Some hon. Members: Agreed.

(Translation):

Mr. Tremblay: Mr. Chairman, at this stage of the consideration of the Department of

Transport's estimates, I should like to make a few remarks in order to draw the hon. minister's attention to certain problems affecting particularly the constituency I represent.

May I be allowed, first of all, to address very cordial thanks to the hon. minister who, since I have been member for Roberval, has always welcomed with much sympathy the representations I made to him on behalf of the citizens I represent.

I was listening a moment ago, with attention and at the same time with some amusement, to the remarks made by the hon. member for Laurier (Mr. Chevrier) about the railway situation in the province of Quebec, and, in particular, about the Gaspe railway which was referred to by my colleague from Gaspe (Mr. English). He stated in particular that his party had not indulged in promises about railways. I readily understand that the hon. member for Laurier should say such things, since, having been absent from the province of Quebec for so many years, he is certainly not aware of what has been said in my constituency and in my district about the railways.

Mr. Chevrier: On a point of order. I say that when the Prime Minister (Mr. Diefenbaker) interrupted me earlier, it was not to deny that he had made promises in that constituency, but to ask me if the government had made promises during the 22 years we were in office. I replied that neither the government nor the minister of the day had made promises about the Gaspe railway, whereas the Prime Minister clearly did make promises in the statements he made out there.

The hon. member should not shift his ground; he may refer to the Prime Minister's statement, but he has no right to shift the subject.

Mr. Tremblay: Mr. Chairman, I admire the scruples of the hon. member for Laurier on that matter, but what I wanted to say was that the hon. member for Laurier is in a very weak position to talk about promises which have been made by the government, by the cabinet, by members or candidates, because my district and my constituency have heard so many Liberal promises about railways that only a stranger like the hon. member for Laurier, in my opinion, can refuse to admit that we have been deceived, and many times, about the railways. But that is not my point, Mr. Chairman. Besides, I do not propose to take too much stock in what the hon. member for Laurier has said.

What I want to emphasize once again in this house, is the urgent need for the Chicoutimi-Lake St. John district that the railway line between Chicoutimi and Quebec be completely rebuilt. The rebuilding of that railway line is absolutely necessary. It is urgent today and that urgency takes on special character because of the industrial development which has taken place in our district and is still increasing.

Mr. Chairman, my colleague from Gaspe pointed out earlier that the province of Quebec has not been particularly favoured in the way of railroad construction. I think that remark applies even more aptly to the Chicoutimi-Lake St. John district and to my constituency, since for more than 25 years, all kinds of public organizations, bodies and municipalities have repeatedly asked for the rebuilding of this line between Chicoutimi and Quebec, and at a time when those representations should have been sympathetically received since a certain prosperity would have allowed the Canadian National Railways Company, at the time, to undertake the rebuilding of that Quebec-Chicoutimi line.

In fact, Mr. Chairman, it was in the years between 1939 and 1957 that the Canadian National Railway Company should have considered the building or the possibility of rebuilding that line, at a time when the economic situation was good, especially at a time when the requirements for railway transport were extremely great in our district. However it was not done, for despite all the representations that were made, despite all the pressures by public bodies, the government of the time and the Canadian National Railway Company ignored the repeated requests of the public men and of the population, in spite too of all the promises that were made successively in our district by Liberal members or candidates.

Mr. Chairman, I would point out to the hon. Minister of Transport that, as I indicated a moment ago, the industrial development now going on in my area as a result of its closeness to a mining centre, namely that of Chibougamau, makes the need for rebuilding this Chicoutimi-Quebec railway line a matter of even greater urgency. And here, Mr. Chairman, I am not raising a new fact. I need not even quote statistics, because the house has heard so many appeals, in the

last 20 or 25 years, from members from the province of Quebec. I refer in particular to the former independent member for Chicoutimi Mr. Paul Edmond Gagnon, to the hon. Solicitor General of Canada (Mr. Balcer), and to members who, every year, pointed out to the house the problem of rebuilding the Chicoutimi-Quebec railway.

The present situation is deplorable. Please note, Mr. Chairman, that it is not my intention to lay a charge against the Canadian National. I simply wish to set the facts again in their proper light. The railway line from Chicoutimi to Quebec, including the section serving the Lake St. John area, is inadequate, does not meet present requirements of modern transportation, and does not meet the requirements of industrial development that has taken place in our area.

Mr. Chairman, this railway line from Chicoutimi to Quebec, which includes a section from Chambord to Dolbeau, and another as far as Alma, could also be extended so as to circle Lake St. John, because it is not normal, in our modern times, that a railway should not serve all the people of an area such as ours.

That request was possibly made in the past. I refer to it now, however, because a railway line circling the whole of lake Saint John, it seems to me, would be of great advantage to the citizens of my constituency as well as to those of adjoining constituencies. While it might not be possible for obvious reasons at the present time to carry out that project, it is one that must be considered. Those suggestions should also be considered because they are in the best interest of an expanding area whose development is bound to be even greater in years to come.

Mr. Chairman, this matter of the rebuilding of the Chicoutimi-Quebec railway must not however throw into the background other projects such as for instance, the one my hon. colleague from Chicoutimi (Mr. Brassard) has in mind, namely the construction of a railway into northern Quebec.

The other day again, I listened with much amusement and interest to the remarks made in this connection by the hon. member for Laurier. I found this former minister of transport had a remarkable solicitude for our area, a solicitude which has not always been his, of course, especially when you remember the circumstances which surrounded the construction of the Chibougamau-St. Felicien railway.

Mr. Chevrier: Mr. Chairman, would the hon. member allow a question?

Mr. Tremblay: Of course.

Mr. Chevrier: Is the hon. member aware of the fact that when the former Liberal administration ran the affairs of this country, it was the one which introduced a bill—will you please excuse me, Mr. Chairman, for showing you my back—regarding the construction of the Beattyville-Chibougamau railway line, and the one between Chibougamau and St. Felicien? If, so, how can he make the statements he is making now, knowing very well that it is the former Liberal administration which had legislation passed to that effect?

Mr. Tremblay: Mr. Chairman, I am extremely glad that the hon. member for Laurier should have given me a short lesson on the history of the province of Quebec which he knows so well.

Mr. Chevrier: Mr. Chairman, it is not my intention to teach the hon. member a lesson, but he should at least stick to the facts.

Mr. Tremblay: Mr. Chairman, I want to say to the hon. member for Laurier that I am perfectly aware that, under the previous Liberal administration, when the hon. member for Laurier was minister of transport, a program was initiated for the construction of a railway from St. Felicien to Chibougamau and from Chibougamau to Beattyville; but those who took over—and the people of my area are among those who showed interest in that project and in the debate which followed in the House of Commons—know very well the representations then made by the ex-member for Chicoutimi, Mr. Paul Edmond Gagnon and by the Solicitor General, when they asked that both these railway lines be built simultaneously so that the interest of the Saguenay-Lake St. John area would not be prejudiced.

Mr. Chairman, you know that the stretch from Beattyville to Chibougamau, or I should say from Chibougamau to Beattyville has been completed by now and that we are still waiting for the completion of the stretch from Chibougamau to St. Felicien. Moreover, the hon. member can certainly not make up stories about this to the people of my area; my fellow-citizens know very well what that delay in building that stretch from St. Felicien to Chibougamau has meant for them in the industrial and economic fields.

Mr. Chevrier: Do not make up stories yourself; because you are not sticking to the facts.

Mr. Tremblay: Mr. Chairman, the hon. member for Laurier had the opportunity to make his speech a moment ago and I would ask him to show the same courtesy towards me as I showed towards him.

Mr. Chevrier: Mr. Chairman, I rise on a point of order. I am quite prepared to show the same courtesy to the hon. member for Roberval, provided he states facts and does not attempt to gainsay them as he tried to do a moment ago.

Mr. Tremblay: Mr. Chairman, I could also rise on a point of order and say to the hon. member that he has no right to impute motives to me.

(Text):

The Acting Chairman (Mr. McCleave): I would remind the two hon. members who have just taken part in this debate that we are wandering a bit from the resolution that is now under consideration by the committee. I would ask the hon. member for Roberval, when he resumes his feet, to stay more closely to the resolution so we may avoid repetition of the exchange between the two members.

(Translation):

Mr. Tremblay: Mr. Chairman, I have come to the very matter I intended to deal with. I am talking in general about the estimates of the Department of Transport. I am dealing with problems of my district, and in particular, with that of railways, a problem which has taken a particular aspect because of the rebuilding by the company of the line between St. Felicien and Chibougamau, completion of which we are still waiting for and which, besides, has been for my constituency a source of financial, economic and industrial disappointment.

I was saying, at the time I was interrupted, that nobody can teach lessons to the people of my district about that matter or tell them about the consequences of the delay in building that railway.

Mr. Chevrier: Do not try to teach me lessons either.

Mr. Tremblay: Mr. Chairman, there is no need for me to mention to the hon. member for Laurier the articles published in the newspapers at the time of that debate in the House of Commons in 1954. However, the hon. member must recall the statement which appeared in *Le Devoir* at the time of the debate on the bill dealing with the building of the Chibougamau-St. Felicien railroad, when the speech made by the hon. member for Laurier was described as directed against Quebec by that newspaper. However, Mr. Speaker, I am quite willing to keep strictly to the matter under discussion—

(Text):

The Acting Chairman (Mr. McCleave): Order. The matter under discussion is the first item of the estimates of the Department of Transport relating to departmental administration. I would ask the hon. member not to offend against the spirit of the ruling that was made by the Chair a few moments ago and to stick to the matter of the departmental administration of this department.

(Translation):

Mr. Chevrier: Keep to the subject under discussion.

Mr. Tremblay: Mr. Chairman, on that question of the Chibougamau-St. Felicien railway, may I be permitted to point out to the present Minister of Transport that the considerable delay in the construction of the St. Felicien-Chibougamau railway branch was a source of financial and economic difficulties and a handicap to the industrial development of my area. Mr. Chairman, in view of the sympathy with which the Minister of Transport received my representations, that the construction of this railway branch be speeded up, I am sure that his department is ready to give the representations made by the citizens of my riding all the attention they deserve. I feel that the Lake St. John-Saguenay area, and more particularly my riding, are now at the crossroads in economic and industrial development, and the lack of an adequate railway should not be allowed to prevent this area from sharing in the tremendous industrial growth which is in evidence elsewhere in the whole province of Quebec.

Mr. Chairman, allow me to point out to the Minister of Transport the matter of level crossings which is a source of great danger and of serious difficulties in my riding. Railway crossings are a source of danger, no matter what a senior official of the Canadian National may have said about them a little while ago. When there are three or four of these dangerous level crossings in a single city, and I am thinking in particular of my

own city of Roberval, I feel that one should not rely exclusively on good common sense, but rather strive to eliminate those sources of danger.

Mr. Chairman, before concluding my remarks, I would also ask the Minister of Transport to consider the possibility of rebuilding certain stations on the railway line going through my county, in particular the station of St. Prime. I know that officials of the Canadian National came to investigate the matter. They stated that the traffic and the revenue derived from the Canadian National's operation in the riding of Roberval, and particularly in that sector of the railroad, did not justify building that station. Well, I wondered at that time whether all officials of the Canadian National were necessarily well placed to know the exact needs of a given locality. In this case, I think that the member for the riding is in the best position to explain the needs submitted to him by the citizens of his county.

Finally, Mr. Chairman, allow me to remind again the Minister of Transport of the problem of the Roberval airport. The minister has welcomed, with such understanding, all representations I made about that airport that I am a bit uneasy about reminding him again of that project. We received very definite assurances from the Department of Transport, and I am sure that, in the very near future, the minister will be in a position to follow up the guarantees he gave me, which will allow my area and my county in particular to benefit from an adequate airport in keeping with the needs of the population.

Mr. Chevrier: Would the hon. member allow me to ask him another question? He was so polite with me a moment ago. I should like to ask him this: is he aware that the Roberval airport was built under a Liberal regime, when the hon. member for Laurier was minister of transport?

Mr. Tremblay: Mr. Chairman, I would point out to the hon. member for Laurier (Mr. Chevrier) that the contribution of the Liberal government at the time was rather small, and that the cost was borne in large part by the city of Roberval.

(Text):

Mr. MacLean (Winnipeg North Centre): Mr. Chairman, I have only three matters that I should like some information on from the minister. I assure him I will be very brief. The first matter has to do with Scandinavian Air Lines, better known as S.A.S. The minister is well aware—

Mr. Chevrier: I thought it was "sauce".

Mr. MacLean (Winnipeg North Centre): Sauce or S.A.S. The minister is well aware that at the present time they have refueling rights at the city of Winnipeg. Up until a few weeks ago anyone travelling on Scandinavian Air Lines who wanted to go to Winnipeg was not allowed to disembark at the city of Winnipeg but had to continue on to Los Angeles, disembark there and take transportation from Los Angeles and come all the way back to Winnipeg. This in itself is rather a ridiculous situation, rather ludicrous. I can well understand with regard to air agreements with different countries how this could come into being. However, within recent weeks there have been two occasions during which passengers have been allowed to disembark from these flights at the city of Winnipeg. I realize there might have been extenuating circumstances for the disembarkation. However, I would like to know from the minister first whether or not there has been any change with regard to the rules and regulations on landing rights in the city of Winnipeg of this air line. I think there should be but, if not, what is the proper procedure for certain people who might want to disembark from this air line at the city of Winnipeg. If so, what is the procedure?

My second matter, Mr. Chairman—

Mr. Hees: May I answer these questions as we go along? The hon. member perhaps knows that the arrangements for disembarking passengers of an air line at any particular airport are worked out between the two countries concerned and there never has been such an agreement worked out between Canada and S.A.S. for Winnipeg, and there has been no formal application ever made to us by S.A.S. for that right. Perhaps the reason for that would be that S.A.S. would have to give the equivalent right to a Canadian air line in return for that privilege. I am very glad to assure the hon. member that if S.A.S. does approach us on a formal basis and would like to discuss this matter we shall be very glad to discuss it with them.

Mr. MacLean (Winnipeg North Centre): Mr. Chairman, the only reason that I bring it to the minister's attention is that within recent weeks there have been two occasions when a passenger has been allowed to disembark at the city of Winnipeg. The people in the city of Winnipeg are not aware of the reasons for this, why it was done, and there is perhaps a little bit of confusion in their own

minds with regard to the procedure to be followed if this is done, or the reasons for it being done.

Mr. Hees: I am advised that if this was the case, as it must be if the hon. member says so, it would in all probability be because of particular hardship cases or something of that kind. There would be particular circumstances surrounding the case and it would not be regular practice.

Mr. MacLean (Winnipeg North Centre): Then, Mr. Chairman, I understand that if Scandinavian Air Lines want this right all they have to do is to apply to the minister for consideration?

Mr. Hees: They do not automatically get it; it is a matter of their approaching us and we shall be very glad to talk it over with them and possibly work out a mutually satisfactory agreement.

Mr. MacLean (Winnipeg North Centre): Perhaps the minister could answer my next two questions together. The first has to do with the extension of the Winnipeg airport and its facilities. I understand that certain tenders have been called and contracts have been let, but I was wondering whether the minister might give us some sort of progress report and perhaps some sort of intimation as to when those contracts may be completed, when the extension of the Winnipeg airport facilities may be completed; some sort of report as to the progress at the present time.

I want to be very brief. My second point has to do with the lay-off at the present time on the Canadian National Railways at the Fort Rouge and Transcona shops. Neither of these shops is in my constituency, but the people who are affected by those lay-offs do reside in my constituency. I have received some representations. The news reports of those proposed lay-offs have been conflicting, to say the least. There have been a number of conflicting reasons advanced for those lay-offs. I would ask the minister, if at all possible, to give the committee the reasons for the lay-offs and perhaps some information on what is being done for those people who are laid off in regard to re-hiring by the Canadian National Railways or in regard to the unemployment insurance commission.

Mr. Hees: Mr. Chairman, with regard to the last question, I am afraid I am not familiar with this particular case because it is something that comes under the management of the Canadian National Railways. But I will be very glad to speak to the management of the railway and get an answer as soon as I can for the hon. member. With regard to the Winnipeg airport, there are a number of contracts and I wonder whether the hon. member would indicate which contracts he is interested in. Is he interested in the contracts dealing with the new terminal building?

Mr. MacLean (Winnipeg North Centre): Yes.

Mr. Hees: I am advised that the preparation of the contracts is now under way and we are in the process of submitting to treasury board an economic study of the whole project to justify the letting of these contracts. I can assure the hon. member that we are getting ahead with the whole project just as fast as we can.

Mr. Granger: Mr. Chairman, I should like to speak briefly about a number of matters which interest my district considerably. As the constituency of Grand Falls-White Bay-Labrador stretches from the airport at Gander north to the airport at Goose and then on to cape Chidley in the far north, naturally transportation and communications are of paramount importance to us. I have in mind particularly communications along the Labrador coast. In many small places the only means of communication are small radiotelephone sets. They serve a very good purpose in so far as they are available but there are altogether too few of them. Particularly during the winter time, when practically all transportation ceases except by air, the radiotelephone set is the only means of communication with the outside, the only means by which a doctor can be summoned or other messages sent in time of need.

As I have pointed out to the department on a number of occasions, more of these radiotelephone sets are required. I am told that the situation today is not as good as it was some years ago and in this connection I should like to read from a report prepared by Mr. George Sellars, M.H.A., the provincial member for Labrador South. He says:

> Before wireless telegraphy became established, Canada supported a telegraph line along the Quebec north shore which extended to Red Bay. When a wireless was opened at Belle isle for communicating with steamers operating via the straits of Belle isle route a station was also established at Chateau, Point Amour, Point Riche, Newfoundland and Grindstone island and on up the St. Lawrence river. As improvements were made the stations at Chateau and also at Point Riche, Newfoundland, were closed and Belle isle worked Point Amour and Point Amour worked direct with Grindstone. Subsequently, Belle isle has been working Grindstone direct so that Point Amour is now working mostly as a radio beacon.
>
> In the early days there were several wireless stations established in eastern Labrador chief among them being Battle Harbour which in the early days of wireless communicated with Fogo and Fogo communicated with St. John's by land line. Later Battle Harbour communicated with St. John's (Signal Hill) direct and Fogo station closed. Along Labrador there were wireless stations located at the following places, viz: Fishing Ships Harbour,

Venison Island, Hawkes Harbour, Domino, Flat Island, Grady, Smokey, Halton, Makkovik, Hopedale, Cartwright, Cape Harrison.

Today the situation is: Battle Harbour, due to close this summer and to be replaced by a telephone; Marys Harbour, radiophone operated by Grenfell mission and used for communication with St. Anthony; Port Hope Simpson, logging centre, 25 miles up Alexis river or bay; Fishing Ships Harbour, private—Fishery Products—out in winter; Snug Harbour, private—Fishery Products—operates June to October; Hawkes Harbour, private—whaling company—now closed; Square Islands, private—B.W. Powell; Frenchman's Island, Department of Transport; Black Tickle, Department of Transport; Cartwright, Department of Transport; Parks Harbour, private, S. B. Fequet and Son.

Two large settlements in Sandwich bay and widely separated, Paradise and Separation Point, should have radiophones as should other settlements, particularly Paradise, Separation Point, Spotted Island, Batteau, Hawkes Harbour, George's Cove, Williams Harbour, Fox Harbour, Cape Charles, Marys Harbour.

The Minister of Transport suggested people of Spotted Island should form co-op and purchase radiophone and operate it without cost to D.O.T. after getting a $10 licence from Moncton.

Marys Harbour cannot handle commercial correspondence. There is only one nurse there and her time is fully occupied and it is very unreasonable to ask her to handle communications.

The decision to have Labrador traffic routed via Cartwright and Goose presents almost insurmountable difficulties. The high Mealy mountains are directly between Cartwright and Goose and in my experience these mountains are the birthplace and habitation of every known kind of atmosphere disturbance and static, so much so that it cannot be relied on for a constant communications channel.

Besides the cost of sending a telegram from Newfoundland to Labrador was until lately 55 cents. What will it cost via the maritimes and Quebec to Goose and Cartwright to destination in Labrador? The government of Canada ought to provide us with the same land line service that it provides over the same line for Quebec. Our portion of the line has not been repaired while the portion through Quebec is kept in A-1 condition. Why should they let our portion of the line go into decay?

That was written by the provincial member for Labrador South. The point I am trying to make is that improved communications are needed along the Labrador coast. These communications form the only means by which the people of these isolated places can keep in contact with the outside world in order to make their needs known and obtain medical aid when it is required. As was stated in the letter, some of the sets are privately owned, some are owned by the Grenfell mission which operates on that coast and a number of places have no means of communication whatsoever.

Another matter of vital interest to Labrador and northern Newfoundland is air strips. Last year the Newfoundland department of highways built an air strip at Nain on the Labrador coast, helped to complete one at North West River, the seat of the Grenfell mission in Labrador, and began one at St. Anthony, the headquarters of the international Grenfell association. The one at Nain is being used. I believe the one at North West River is being used but needs to be extended. The one at St. Anthony needs to be completed. In addition, another air strip is badly required at Cartwright in Labrador while Baie Verte, Roddickton and Port Saunders are centres in northern Newfoundland that should be considered, as also should La Scie, although I understand that it will probably be difficult to get a suitable location at La Scie. I might also mention Hopedale in northern Labrador.

I hope that the minister will be able to do something about the construction of these air strips or some of them during this season. Large air strips are not needed. Small gravel strips on which Beaver aircraft can land are sufficient in most places, although it might be desirable to extend the runways at North West River and St. Anthony to take larger aircraft. Basically what is required are gravel or dirt strips on which Beavers can operate. They would be used largely by the planes supplied to the Grenfell mission by the Newfoundland government. These planes are used extensively for servicing the coast and to bring in patients to the Grenfell mission hospitals. I might add that at Nain eleven people died two years ago because a plane could not land there with serum.

The Newfoundland government built a small airstrip at Nain last year. As I mentioned, the value of this airstrip is particularly high during the periods of freeze-up and breakup. During the summer the planes can operate on floats, and during the winter they can operate on skis. However, during the periods of freeze-up in the fall and breakup in the spring they can use neither skis nor floats and strategically located airstrips are essential so that air services can be carried out during the whole 12 months.

I should like to mention a word or two here about Goose Bay. During Easter I was fortunate enough to be able to visit Goose Bay. While there I saw, to some extent, the preparations for defence, the superb communications, and sensed to some degree at least the global thinking of the warriors who were there. Suddenly the world seemed very small and Canada seemed a lot safer. I should like to pay tribute to those who operate this great airfield and those who are in command. I should like to mention in particular Mr. James Murphy, the head of D.O.T. at Goose Airport, Group Captain W. Swetman, Officer Commanding the R.C.A.F. Station, Col. A. J. Beck, Wing Commander, U.S.A.F., Magistrate Terry J. Corbett and

Sergt. Pat Byers R.C.M.P. There exists among them a high degree of working co-operation which is equalled by the efficiency.

Now, I should like to say a word about Gander, where a native Newfoundlander, Mr. Rex Tilley is doing a fine job for the Department of Transport. A hotel is badly needed at Gander because I understand that passengers show little enthusiasm for spending the night there. A large modern terminal will soon be opened by her Majesty the Queen, something of which we are all proud. This, in itself, is a source of gratification to everybody, not only those who are interested in Gander but those who are interested in Canada because Gander is the only part of Canada which many people see. People going through from one continent to another often pause at Gander, and I think it is only proper that a fine terminal should be there as a monument to Canada because Gander is the real gateway to Canada. Gander is the first part of Canada that many people see coming from the other side. As I say, a hotel is really needed. Often planes have to remain there overnight and the accommodation at the present time is poor.

A suggestion has been made that Gander should be a free port. The flying public, I understand, prefers to make stops at places where the facilities of a free port exist. Recently there has been a tendency to by-pass Gander, particularly with the development of large, long range aircraft. I would suggest that nothing be overlooked which would make it attractive for people to stop at Gander. Then, the pressure from passengers may influence the airlines to make Gander an extra stop. I will add, too, that some of the pilots seem to be objecting to regulations respecting vaccination, etc., and I hope the Minister of Transport will speak to his colleague the minister of health to see if there cannot be some relaxation of these regulations commensurate with safety.

No word about Gander would be complete without a word of praise for Eastern Provincial Airways. They have an unexcelled record for safety and service. This company has flown many miles since its inception and its safety record is excellent and the stories of the mercy flights undertaken are legion. They perform a very vital part in the communications in Newfoundland, particularly in the more remote parts of the province. I do not believe any word about Eastern Provincial Airways would be complete without mentioning its general manager, Mr. A. J. Lewington, its traffic manager, Mr. Marsh Jones and its maintenance manager, Mr. William Harris.

The Acting Chairman (Mr. McCleave): The Chair is allowing latitude to the hon. member, but he does seem to have brought some matters into the debate this afternoon which are perhaps not under the general heading of administration of the Department of Transport.

Mr. Chevrier: May I just intervene here? The hon. member is dealing with Gander airport, which is directly under the Department of Transport. I think that any of the matters affecting Gander airport are subjects for debate at this time. There is no doubt that all the facilities concerning Gander fall within the jurisdiction of the Department of Transport and it would seem to me, in all deference, the hon. member would have the right to deal with all the aspects of Gander.

The Acting Chairman (Mr. McCleave): The hon. member has been very good in that his extraneous references at least commend themselves to the Chair because they are brief. I have allowed latitude and my opinion is unchanged. I would, therefore, ask the hon. member to follow the spirit of the Chair's attitude.

Mr. Granger: Mr. Chairman, I do not wish to transgress, and I shall try to remain within the rules. I did want to mention in connection with the airport at Gander the fact that Gander recently assumed the status of a full-fledged municipality and elected a new town council and mayor. I know the mayor and town council will continue to work cooperatively with the Minister of Transport, as they have been doing, in connection with the many matters which affect them both.

I should like to say a word about Canadian National steamers, and ask the minister if additional ports of call could not be added to their schedule. I am well aware of the fact that the more ports of call there are, the longer any one scheduled trip will take. However, it is possible that a few more ports of call could be added without unduly lengthening the present schedule for a round trip. I would appreciate if he would give careful attention to this matter. As I said, I know it is impossible for steamers to call at every little port without making their trips extremely long, and this would create a hardship on the public as a whole. But I do hope that, where possible, additional ports of call will be added.

If I may return briefly to the two matters which I mentioned first, the need for communications on Labrador and the need for more airstrips. If I should leave the minister feeling sympathetic toward these requests then I will be very happy indeed.

Mr. Macquarrie: The minister would probably expect that a member from Prince Edward Island would have a word to say about transportation. I am sure that all his predecessors down through the years have known that this is one subject that is dear to us in Prince Edward Island. With my usual laconic brevity I should like to mention one or two aspects of the activities of this department.

I will not speak at length about the car ferries because the minister has heard much about it from myself and my colleagues for a long time. However, I would say that it is of the utmost importance that speed be of the essence in the construction of a new ferry in this area and in the interim I would urge on the minister that every measure be taken to make full and maximum use of existing facilities. The planking of the Scotia II is an important step but I wish he would, with the C.N.R., look into the prospects of making more trips with the existing ferries when the traffic demands it. I am convinced that there could be more and later trips which would help move cars and a great number of people wanting—and wisely so—to go to Prince Edward Island. This main transportation link is one which connects with the railway because that was a vital term of our confederation agreement that we were to be kept in continuous and efficient communication with the mainland. In that aspect there is an important consideration, namely that we have a speedier rail service from Moncton down to Cape Tormentine. It takes an interminable time to make that short trip which ties in with the major transportation link. That would be a vast improvement. I know the minister is convinced of the importance of that matter.

Mr. Hees: If I might just answer the question of the hon. member in order to show how quickly we accede to requests in this department. I am pleased to tell him that officials of the Department of Transport, the C.N.R. and the Department of Public Works are at Borden and Tormentine today doing just what he has in mind, namely improving transportation facilities, as he has so correctly outlined in his speech.

Mr. Macquarrie: In order to show my deep appreciation I think the best thing I can do is to move immediately from that subject, say a word or two on one more matter and then resume my seat. For a long time we have been interested in improving the airport in Charlottetown so that it might have a runway which would allow for the landing of larger aircraft. I am happy that work is progressing there on the building of a 7,000-foot runway. I think that will make a great improvement in the transportation picture in our province and, of course, in the whole Atlantic area. The hon. member who has just spoken mentioned the airport facilities in Winnipeg. I may say that in that regard Charlottetown is ahead of Winnipeg. We have there already a new and enlarged terminal offering twice the space to visitors and travellers. That facility has proven of great convenience. For that I should like to say that the minister's energetic and swift action is much commended.

Mr. Cardin: Mr. Chairman, although there are several interesting matters which I might usefully discuss on the estimates of the Minister of Transport, I have chosen to say a relatively few words on a project which is not new to the committee nor to the house but which I think is a timely one to be brought back before the committee at this time. I noticed a while ago just how quick the Minister of Transport was in answering requests from hon. members. I sincerely hope that the request that I shall make will receive the same quick action that we saw just a few moments ago.

I propose to say a few words about the Richelieu waterway or the Champlain waterway as some prefer to call it. As hon. members know, for many years there has been some traffic along the Richelieu river across lake Champlain and down the Hudson river to New York. Because of the nature of the waters it has not been possible for any ships of any size to go through this canal. But ever since the turn of the century representations have continually been made to the government asking it to create a navigable waterway from the St. Lawrence to the city of New York on this particular route. As the years went on and the recommendations and representations were more and more numerous the government decided to have the international joint commission study the project. In 1937 the international joint commission made some recommendations which I think would be useful if they were put on *Hansard*. At page 17 of the interim report of the international joint commission on the Champlain waterway we read as follows:

> Taking into consideration the fact already mentioned that neither the engineers nor any of the interested parties who appeared before the commission in support of or in opposition to the proposed waterway, were of the opinion that it could be justified, if at all, except as an extension of or in connection with the St. Lawrence deep waterway and the fact that the St. Lawrence waterway is not yet assured and in any event could not be completed and put into operation for a number of years; and the further fact that it is impossible to foresee the changes that may take place in transportation in the meantime, or to estimate the

bearing the completion of the St. Lawrence waterway might have on the advisability of constructing the improvement now under consideration,—

And this part is important.

—the commission recommends that the present report be considered an interim report, and that it be authorized to retain jurisdiction over the matter until the St. Lawrence waterway has become an accomplished fact and the commission has had an opportunity of studying the effect of its operation upon the proposed Champlain waterway.

Of course this recommendation of the international joint commission at that time put a wet blanket on the project of the Champlain waterway. But once the St. Lawrence seaway had been decided upon, and more particularly as it approached its completion, there were increased activity and increased interest on the part of officials, municipal and civic, both in Canada and in the United States. Over the past few years I remember how many meetings were held either in Sorel or in Plattsburg with officials both of municipalities along the Richelieu river and those in the United States. Chambers of commerce had made repeated representations to the government and many other civic organizations have made similar representation.

Just about a year ago a United States-Canada delegation presented a rather complete and thorough brief to the Prime Minister. According to the Prime Minister's statement, it would appear that he was greatly interested in and taken up with the project. As a result, he promised that he would come to the area in Sorel and travel on the Richelieu river in order to see the project at first hand. Unfortunately—and I can well imagine that it was unavoidable—he was not able to carry out that particular promise. On this occasion I should like to extend to the Prime Minister a further invitation to come to Sorel at which time we will make it amply possible for him to visit what I think is a natural project and one which would be a most useful economical project.

On the United States side there has been as much if not more interest in this particular project. I could cite I do not know how many newspapers on the activities that have taken place in the United States and the comments that have been made on this project. But I think perhaps the greatest evidence of interest in the United States would be given if I quote an article that appeared in *La Presse* on April 28, 1959:

(Translation):

Consideration is given to a canal connecting Sorel to New York.

Washington, 28, (PCF)—A submission was made yesterday to the American congress for a $10,000 appropriation to allow for continuation of a preliminary study of a proposed canal connecting New York to the St. Lawrence. The present waterway through the Hudson river and lake Champlain provides a channel which is 12 feet deep on the United States side, but shallower in Canada, in the Richelieu river.

(Text):

I believe it is quite evident that the United States has this project very much at heart and that we in Canada should see to it that a similar study is made. I am not sure whether it will be necessary, as written in the interim report of the international joint committee, to set up another body to conduct the study or whether, as stated on page 17 of the report, the present report could be considered an interim report and that it be authorized to retain jurisdiction on the matter. I am not sure whether or not the international joint commission would automatically go into this study or not but I should like to have the minister assure the committee that a study will be made at this time for the realization of a project which, to me, is an important Canadian project.

I think it would be useful at this time to read into the record the conclusions which were arrived at by the international commission. I quote from page 15 of the report:

Directing itself therefore, to the questions: Is it advisable to improve a waterway from Montreal through lake Champlain to connect with the Hudson river; and what is the estimated cost of such a waterway; the commission finds:

(1) That there are five possible routes for a waterway from Montreal to the Hudson river by way of lake Champlain, the last-mentioned being an all-water route and the remainder overland routes, as follows:

(a) From lake St. Francis on the St. Lawrence river to lake Champlain via the Chazy river.

(b) From lake St. Francis to the Richelieu river three miles south of the city of St. Johns.

(c) From Caughnawaga, on the St. Lawrence river, to Fryer's island on the Richelieu river.

(d) From the St. Lawrence at Longueuil to Fryer's island on the Richelieu river.

(e) From the St. Lawrence river at Sorel up the Richelieu river to lake Champlain.

I should like to draw the attention of the committee, in particular to what follows. I continue the quotation:

In the case of all five routes the existing waterway would be followed through lake Champlain and by way of the Champlain canal to the Hudson river at Albany.

(2) That of these five routes, the last-mentioned (e) is the most practicable from an engineering standpoint and the least impracticable from an economic point of view.

I think I should remind the committee that this report was written in 1937, and that the development which has taken place in that area since has confirmed to my mind that from an engineering standpoint it would be far more favourable than any of the other alternatives and that from an economic standpoint it would be of the greatest advantage to all concerned. We recall that according to the first plans the St. Lawrence seaway canal was supposed to run on the Montreal

side of the river, but for some reason or another the plan was changed subsequently and the canal now runs on the south shore of the St. Lawrence. If any of the other alternatives were adopted it would mean that the Richelieu waterway would have to cut through the St. Lawrence seaway. It seems to me that there is already sufficient bottling-up around the St. Lawrence seaway without causing additional hazards in that area.

The other reason is that the channel of the Richelieu river, like that of the Hudson river, can only be a maximum of 12 feet. Because of the narrowness of both rivers, if the draught of the river were to be lower than 12 feet it would cost a fortune to sustain the river banks along both these routes. As a matter of fact, also, in favour of the natural water route, in 1937 there was some preparatory work done on the Richelieu river and a considerable amount of money was spent. The dam at St. Ours was reconstructed to take navigation at 12 feet. The Fryer's island dam was also built in prevision of the Richelieu waterway from lake Champlain right down to Sorel, and as a matter of fact the greater part of the Richelieu river as it is now is already 12 feet and it would to my mind cost very little to make it 12 feet all the way.

From an economic standpoint it seems to me that most of the ships which would be using the Richelieu waterway would come from below Montreal and below Sorel. They would be ships transporting paper and iron ore and would normally come up the St. Lawrence to turn into the Richelieu at Sorel. I think very little shipping would be made directly from Montreal to use this water route. Also in past years there has been a considerable evolution in the industrialization of the south shore and it would appear that within a relatively short number of years there will be several steel industries located there. All these industries would be greatly assisted if freight could move via the Richelieu river and on to New York rather than going up to Montreal and having to wait in order to get into the St. Lawrence seaway canal and from there having to enter into another canal and cross territory in order to reach the Richelieu river at St. Johns. I think it would be a serious mistake to divert ships in this way. I think it would be unprofitable to the companies to which I have referred and I think it would be endangering the seaway by cluttering it up with more ships than it has already. It seems to me that the seaway has enough trouble as it is without causing any further inconvenience.

So I make the suggestion to the minister and say that the time is now ripe for a study to be made of the project. I personally feel that the most logical, most economic and best route would be to follow the natural route of the river from St. Johns to Sorel. I think it would be less costly and would prove far more effective than any other means.

I sincerely hope that the minister will look into this matter very seriously and if it is at all possible for him to do so to have either the international joint commission or some other body study the possibilities of this project. I invite the minister along with the Prime Minister to visit this area. We would be happy indeed to travel along the Richelieu river with them to follow the route which we believe to be the most desirable and in the best interests.

Mr. Hees: Mr. Chairman, may I refer back to a question asked earlier by the hon. member for Laurier. He asked me to state the qualifications of Mr. Clare and also to give the authority for his appointment. I should like to do that now.

Mr. Chevrier: Mr. Chairman, I am grateful to the minister for what he is going to do but what I asked was if the minister would be prepared to table the order appointing Mr. Clare and to state his qualifications.

Mr. Hees: Mr. Chairman, Mr. Clare was not appointed by an order of the treasury board but by a letter from the regional manager of the real estate branch of this department in Toronto which I have here. I will be very glad to table that letter.

Mr. Clare is reported to have been a realtor in Port Credit and Toronto township for the past eight years; an appraiser and salesman for Harold A. Clarke, realtor, for two years; a graduate of the University of Toronto extension course in sales and advertising; an appraiser for the South Peel board of education, for the village of Port Credit and for the township of Toronto hydroelectric commission. He is also a director of the South Peel real estate board.

He was appointed by a letter, which I will table, from Mr. A. A. Speer, regional manager, real estate branch, Department of Transport, Toronto, written on October 23, 1957, and addressed to Mr. Clare. I would like very much to be able to table the letters I wrote to the hon. member for Peel but unfortunately they are not available. Because of the heat the department closed down at four o'clock as did other departments and we were unable to get into the files. I will be very glad to table that correspondence tomorrow morning.

Mr. Chevrier: The minister does not anticipate that he will finish his estimates tonight does he?

Mr. Hees: Mr. Chairman, I am always one of those who hope.

The Acting Chairman (Mr. McCleave): Perhaps I could ask the minister what he is attempting to do at this time. Does he ask that these documents be tabled or did I understand him to ask that they be placed on the record of *Hansard*?

Mr. Hees: I would like to make this part of the record of *Hansard*.

The Acting Chairman (Mr. McCleave): Is it agreeable to the committee that the document held by the minister shall become part of the record of *Hansard*?

Some hon. Members. Agreed.

(Editor's note: The letter above referred to, follows:)

5168-648
Real Estate
Room 1311, 55 York Street
Toronto, Ontario.
October 23, 1957.

Mr. Earl Clare,
Earl Clare Real Estate Limited,
103 Lake Shore Road East,
Port Credit, Ontario.

re: Toronto (Malton) Airport, Ontario

Gwendolyn Hatton	—Lot 41, R.P. 360
H. G. Hatton	—Lot 40, R.P. 360
Ann Wales	—Lot 1, R.P. 360
Aileen Drew	—Lot 5, Con. 7

Dear Sir:

The above mentioned properties were included in an expropriation by Her Majesty the Queen in the right of Canada, by registration No. 79365, on the 12th of February, 1954 in the interest of the proposed future development of Malton airport.

The claimants mentioned herein have indicated their desire to have settlement decided by Exchequer Court. In this connection we have been authorized to engage your services to conduct appraisals of the properties concerned, basing your valuations on property market values prevailing in this particular area as at the date of expropriation, namely the 12th of February, 1954.

It may be possible that additional appraisals may be required and, if this is the case, we will again communicate with you.

Should you require any further information with regard to these properties please do not hesitate to contact the undersigned.

In submitting individual reports would you kindly include your invoice, in quadruplicate, showing the cost of your services in order that payment for same can be arranged.

We look forward to receiving your kind co-operation in this regard.

Yours very truly

A. A. Speer
Regional Manager
Real Estate Branch
Department of Transport
Toronto

The Acting Chairman (Mr. McCleave): I would remind the committee that only official documents can be tabled. We can receive unofficial documents such as the affidavit referred to earlier by the hon. member for Vancouver East. It may be placed before us and filed for the information of hon. members but it is not tabled.

Mr. McGee: Mr. Chairman, normally when an hon. member rises in committee or in the house with a pile of books or documents on his desk it is sometimes indicative of rather extensive notes but far be it from me to involve myself in the problem of reading speeches.

In respect of some issues and particularly one now current in my constituency I receive letters and in this instance I suggest that by comparison Perry Como is a bit of a piker. The letters and documents in the folders on my desk refer to a matter which I am sure is well known to the minister. It concerns the Canadian National Railways by-pass over the north end of Toronto. The greater part of the proposed route to be followed falls within the boundaries of the constituency of York-Scarborough.

Perhaps before putting a specific question to the minister I should give the committee some background concerning this matter. The original proposal for this proposed by-pass and the route it was to follow was put forward by the Canadian National Railways some time ago. It was greeted with mixed feelings in various areas and it is not surprising that many individuals owning and occupying homes in or near the proposed route of the by-pass were most upset and concerned. Judging from the many letters I have received on this subject and as a result of my personal observations in the constituency over the proposed route there is not on the part of the people concerned any specific argument or disagreement as to the necessity for the by-pass itself. The economic benefits that will flow into the area and into metropolitan Toronto in general are conceded to be valid in every respect.

There have been a number of ratepayer groups formed in various sections of my constituency and neighbouring constituencies involved in this matter. When the original route proposal was announced maps were made available to residents in the area. Various groups were formed, some of them outgrowths of existing ratepayer groups, and some special groups were organized to look into the matter with a view to making recommendations in respect of this proposed route.

I must say that the officials of the Canadian National Railways and the minister have been most co-operative in acceding to my demands that every reasonable consideration should be given to persons who are likely

to be affected by this route and in the main that pledge and undertaking has been met.

More recently a group of ratepayers was formed in the Thornhill area comprising some engineers qualified to examine and assess various aspects of engineering data which I quite freely confess are beyond my grasp. This committee met on many occasions and expended a great deal of time, effort and money in examining an alternative route which was then proposed to the C.N.R. based on the general conditions set down in the original announcement. This alternative route would largely by-pass the village of Thornhill, move northward along existing C.N.R. lines and would cross Yonge street at a point which in the view of the committee would affect fewer people. This route in the view of the committee would be consistent with the original undertaking given by the Canadian National Railways.

The alternative route proposal was studied by the engineering division of the railway and within the last week the project director of the railway company wrote to the people concerned in the following terms:

> A detailed study of the second route was undertaken and, on completion of our studies, we expressed the view that this route failed to compare favourable with the one originally chosen by us.
>
> Since the last meeting with your committee of engineers, we have again studied the second route and have confirmed our decision that there are no compelling characteristics to this route over that originally selected by the Canadian National Railways—

I would like to repeat, Mr. Chairman, I am not qualified to judge the relative engineering merits of these two alternate routes but I would appreciate some comment from the minister concerning this when I resume my seat. This group having advanced specific reasons of a humane nature concerning the possible effect on schools, school children, the health of the residents in the Thornhill area; having examined this question in a manner and to a degree that certainly surprised me; having dealt with such matters as degrees of sound emitted by diesel engines, the amount of dust, and so on, suspended in the air, and many other related factors; having done this, having conducted a count of the adjacent homes affected by this original proposed route and, as I say, having obtained more engineering data, they received what in their view and in their opinion, as a result of the letters I have received this week, amounted to an out of hand refusal. I certainly feel that if there are good and sufficient reasons why this original route must prevail we are all prepared to adopt a reasonable attitude in this regard. I would respectfully submit, Mr. Chairman, that this group is entitled to a point by point rebuttal of the proposals they have put forward and an answer to the reasons they have advanced in support of their case.

I do not wish to detain the committee. I am ready to resume my seat and ask the minister whether he would submit to my specific demand for a further review of this matter and certainly a more specific and detailed rebuttal of the proposals put forward by this group.

Mr. Hees: Yes, Mr. Chairman, I shall be very glad to accede to the hon. member's request. If he will give me the correspondence to which he has referred I shall be glad to forward it to the management of the Canadian National Railways and request that this matter be given fuller consideration and a full and detailed answer given to the people on whose behalf the hon. member has just spoken.

While I am on my feet I should like to answer questions put to me earlier by the hon. member for Assiniboia. He complained about certain work on the locks of the St. Lawrence seaway which, in his judgment, had not been properly finished. I have spoken to the president of the St. Lawrence seaway authority and he has given me the following report: The hon. member referred to the construction work which, according to his information or judgment, did not appear to be satisfactory. In a work so complicated and extensive as the seaway, with a good deal of winter construction, there are likely to be individual items of work which in the first instance do not meet the specifications. It is the responsibility of the engineering staff to insist upon remedial measures and satisfactory work, failing which there are retained funds to protect the public interests. I am assured that this course has been followed in seaway construction and that where work remains to be done sufficient funds to cover the same are held back.

Mr. Phillips: Mr. Chairman, I should like to make a few brief remarks on the transportation estimates, as transportation has always been one of our most important problems. Recently we have seen considerable progress made in solving some of those problems. First, there was the reduction in the freight rates and more recently the announcement of a new car ferry which will be designed to meet our specific needs in carrying the increased car and truck traffic across the Northumberland strait. The announcement was very well received and the people of our province are grateful to the Minister of Transport for the consideration he has given the province.

An effort was made to stampede the federal government into purchasing a second-hand

car ferry which was designed for a different purpose. We are pleased that the new car ferry will provide adequate service and will be designed to meet our own specific needs. There is some concern among the residents of Prince Edward Island that the new car ferry will be operated, as is our present car ferries, by the Canadian National Railways. They are concerned that the railway will attempt to arrange the ferry schedule to meet the requirements of the railway and not the car and truck traffic. I would like to see the minister give consideration to having the Department of Transport operate the new car ferry when it is completed in 1961, or perhaps have a private company operate the ferry instead of the C.N.R.

While the car ferry is under construction there will still be a considerable problem in meeting the increasing traffic, and every effort should be made to adapt the present ferry schedule to meet this traffic. A great deal of assistance can be provided by having the greatest amount of freight and the so-called gas runs carried later on at night. While the car ferry will provide relief in the near future for our transportation problems, I do not think it is entirely a permanent solution. When the causeway report is referred to the Department of Transport I hope the minister and his senior officials will give it immediate attention.

During the past winter the Canadian National Railways tested a new type of reefer car for transporting our main product, and that is our famous potatoes. The new reefer car will carry a greater amount of potatoes and, therefore, this I hope will provide cheaper transportation costs. I am pleased with this type of research and would like to see a great deal more funds and time spent on research in the C.N.R.

There is some concern in the maritime provinces that we will suffer adverse effects from the seaway. I do not believe that this is necessarily so. With a bit of initiative and some new steps I believe that the maritime provinces could benefit greatly from the St. Lawrence seaway.

I was impressed by two articles I saw in the New York *Journal of Commerce* of January 30 and February 2. These articles referred to the sea-train operations which operate from New York down to the gulf area in the southern states. The sea-train operations consist of loading both freight cars and large trailer trucks on boats and taking them to the gulf port. They are then unloaded and both the freight cars and the trailer trucks complete their journey over rail lines and roads. I feel that this should be investigated with the idea that we might have similar operations from the maritime ports, especially Saint John and Halifax, to the great lakes areas.

Some reference has been made to the efforts of the hon. member for Peel to get a settlement for certain people in his riding. He has received some criticism but the amazing thing to me is the fact that he was able to get the real estate branch of the Department of Transport even to offer a settlement. I have been trying for a couple of years to get some action with respect to several cases and I have not got very far. I suggest that the Minister of Transport put a little pep into this branch of the department. I know he is quite capable of doing so.

Mr. Macdonald (Kings): Mr. Chairman, before the first item is passed I should like to make a few remarks with regard to the transportation problems concerning our province and particularly my own constituency of Kings. I hope the committee will not be bored with the repetition of our island problems but I know it is appreciated that because of our insular position we are very "transportation conscious" and all our people are very sensitive to our problems in that regard.

Last week I spent a few days in my constituency visiting the very many fishing harbours all along the coast. I should like to say a few words about navigational lights. Our larger harbours have been pretty well taken care of for a number of years but unfortunately the smaller ones have been more or less neglected. I want to commend the government on the installation of the new small lights of the Wallace and Tiernan type, which are being installed in a great many of our harbours and which have proven very successful besides being very economical to instal and maintain. I should like to commend them also for the rebuilding of lightkeepers' accommodations. When I visited Souris I found, not very far from the splendid federal building which is being erected, that the foundation had been completed for a new lightkeepers' dwelling in that area. This is the second one replaced under this government.

In the waters off the eastern part of Prince Edward Island we have a great abundance of fish which has attracted a great many draggers during the past few years. Representations have been made by the dragger owners' association for the erection of a ship to shore telephone service at East point. There is a small one operated by a private company at Souris but it is

not nearly adequate to look after the problems that the draggermen have when at sea. We all realize that this is a very dangerous occupation and a very monotonous one at times, and there is a great lack of adequate communication with the mainland. The only suitable place for the erection of such a station is at East point and I would strongly urge the minister to give early consideration to the problem of the dragger fishermen in that area.

We in the maritimes have been very interested to note that the icebreaker facilities of the department have been enlarged this year. I want to thank the minister for providing assistance to the sealing industry during the past two winters. On several occasions icebreakers of the department provided assistance at a critical time and it was greatly appreciated by those engaged in that industry. Now that these icebreakers are in operation I should like to mention that prime consideration should be given to the ports of Souris and Georgetown in my constituency which are the latest to remain open in the province. I might say that sometimes at the tail end of the season the whole province depends on the use of these two ports for the export of large shipments of potatoes, particularly to southern United States markets, and it is very important that we have good icebreaking service. We have been fairly successful to date and I hope that with the new facilities available we will have no difficulties whatsoever in that regard.

In passing may I say with regard to icebreaking on the St. Lawrence that I believe there is a limit to what we can do in bucking nature. I know that during the last season winter set in more quickly and severely than had been expected, but I do not think so much expense is warranted in any year to try to keep the St. Lawrence open.

I should also like to submit that a landing strip should be constructed in Kings county. I may say that this was recommended to the royal commission on transportation, often known as the "Turgeon Commission", and we feel that we are at a considerable disadvantage economically in our county because of the fact that we have never had an air strip there. There are many advantages economically and otherwise which would follow the construction of such an air strip and I hope the department will give strong consideration to this in the near future.

One of our main problems with regard to transportation, of course, is the connection with the mainland. As has been said over and over again, one of the terms under which we entered confederation was that we would be provided with "continuous and adequate transportation to the mainland", and ever since there have been a great many problems involved in maintaining that link. I am not going to go into the whole history because it is very lengthy and has been given on very many occasions.

We know that the present service is by large icebreaking ferries which carry railway cars, and it has been considered for a number of years that this service is not sufficient. Various other solutions have been discussed, for example, the building of a tunnel or a bridge and latterly the building of a causeway. I might say that the last suggestion is perhaps the most practical and economical. The previous government talked about the construction of a causeway for some years but I know they did not do a great deal about it because I have a letter in my office from the Department of Public Works stating that they spent only $6,600 in investigating the possibility of building such a causeway. That is insignificant in comparison with the over $600,000 which has been spent or appropriated to be spent on a thorough survey to determine whether or not a causeway is feasible.

There are, of course, many factors to be considered such as: tides, ice conditions, the effect on fisheries, the availability of fill near the point of construction and armour rock for the sides of the causeway, whether a railway track will be included in the project, and so on. However, we are still hopeful that the project will be declared feasible and we are awaiting with interest the final report on the causeway survey. Even if it is declared feasible, of course, it would be a project which would take a number of years to complete. Meanwhile, the traffic to and from Prince Edward Island continues to grow. We appreciate very much the recent action taken to help the situation by the appropriation for a new boat at the earliest possible time. We feel that the construction of a new boat and the expansion of all the available facilities, such as the minister mentioned were being investigated, will be of great assistance in alleviating our transportation problems. I can assure the minister this is greatly appreciated by the people of Prince Edward Island.

I have a rather long range request. I should like to suggest that if the causeway becomes a reality and some of these boats are available, a new service might be inaugurated between Pictou and Georgetown, P.E.I. Both of these points have splendid harbours, and we have no hesitation in saying that we feel the service will be very popular and very well patronized. In summing up, Mr. Chairman, I would just ask the minister and his departmental officials to

give urgent and early consideration to three points I mentioned, namely: the ship to shore station at East point; the expansion of the icebreaking service next fall, and the construction of a landing strip in Kings county.

Mr. Herridge: I have been most uncomfortable this afternoon, Mr. Chairman. I have perspired, occasionally retired, and now I feel like expiring. I have been looking around for the reason and suddenly my eyes fell on the calendar, June 10. It was on a former June 10 in 1957 that there was a political volcano erupted in Canada and, unfortunately from our point of view, a lot of Conservative lava flowed over some jolly good C.C.F. members. We are working hard during these months, and we expect they will come to life again before the next election.

I am going to make a few very brief remarks on this item. I have a few other remarks to make on the particular items, but I like to deal with particular matters under the particular items so that the minister has the appropriate officials in front of him, although I know the deputy minister is familiar with most of these matters.

For a number of years I have raised my voice in this house on behalf of the people in the southeastern portion of British Columbia in protest against the inadequate service on the Kettle Valley railway. I want at this time to thank the minister for the part he has played in making arrangements with the board of transport commissioners to hold public hearings in Nelson on June 22. I can say, Mr. Chairman that there has been an excellent response to that opportunity by the people in the southern interior of British Columbia. They will let the board of transport commissioners know what they think about the present service. I can assure the minister and the board there will be strong representations from chambers of commerce, from trade unions and from other bodies who, when they make their representations before the board, will speak for all the people in the southern interior of British Columbia, regardless of party.

I just want to take this opportunity to bring a matter to the attention of the committee, and it entered my mind because I have been dealing for a few minutes with the curtailment of service and the inadequate service on the Kettle Valley railroad. It was brought to my attention by a very old gentleman in my riding who has had a lot of experience throughout the years in northern Canada, and who has made a very close study of the railroad needs of the country. I promised him to bring this matter before the house. While doing this, I want to say that I remember, in conversation with him, reading the minutes of the committee on railways, canals and telegraph lines or possibly the committee on government railways, I am not sure—I am getting on in years and my memory fails me on occasion—where there was a reference to the thousands of miles of railroad owned by the Canadian National and the Canadian Pacific in the United States, while we in Canada are suffering a curtailment of passenger service in various places and the abandonment of passenger service in other places.

It is my opinion, Mr. Chairman, that not only should we make a study of freight rates and the cost of freight rates to the carrying on of business in this country, but I think there should be some study given by the government and its agencies to the level of passenger service required to meet the needs of the people of Canada. I think there should be some study made and some co-ordination of the present services. There should be some study of the necessity for building railroads to meet the needs of the future. I think we should begin to look at this question now, and the proper authority to give the lead on that question is the government of Canada and particularly the Minister of Transport. I make that suggestion, and when the minister replies I should like to get his comments. I do not make that as a suggestion—

Mr. Hicks: I wonder if I could ask the hon. gentleman a question?

Mr. Herridge: Certainly.

Mr. Hicks: Does he not think it was the action of his neighbours, the Doukhobors, that caused the curtailment of passenger service and the higher freight rates in that area?

Mr. Herridge: Nothing of the sort; the Canadian Pacific Railway took advantage of the situation created by a few indecent bombs to curtail the service as quickly as possible; that is the opinion in my district. Anyone can prove that by the fact that there are freight trains running 24 hours a day, while the passenger trains are running in the daylight. All the bridges have lights and there are handcars to proceed over the bridge first to make sure it is safe. If the needs of the people are considered by the persons concerned, if the board of transport commissioners and the officials of the Canadian Pacific railway get together, I am sure they will be able to work out something that will be satisfactory to all concerned, especially if they enter these negotiations in the right spirit and with good will.

I mentioned this need for a study particularly of the railroad requirements of Canada with respect to passenger service, the existing railroads and the need for extension of them.

Before concluding, I want to bring the minister's attention to a map which has been supplied me by this very old gentleman who has studied the problem for years. I promised him I would bring this up in the house. He suggests there is an opportunity in the future for a third national railway to serve the more northerly portion of Canada. I see the minister opening his mouth and looking with despair, but I said an opportunity in the future. According to this gentleman's map, there is an opportunity in the future for a third national railway to serve the northern portion of Canada by connecting up a lot of railways that exist today. His plan here shows the railway starting at Winnipeg, going to Hudson Bay Junction, Birch Hills, Meadow Lake, Boyle, Athabasca, McLennan, Hines Creek, and eventually to Prince Rupert.

I just told this gentleman I would bring his suggestion before the committee. He has been very keen about it. I think he has written some letters to former ministers of transport throughout the years, and possibly to some officials in the department. In making these few remarks, I am keeping my word to this old gentleman. When a person takes the time to buy books, travel at his own expense and study a problem, even though his solution may not be the correct one, I think it is the proper attitude on the part of anyone in public life to do anything they can to recognize that spirit. This old gentleman, who is nearly 90, is still interested in the development of Canada. I wish there were a good many young people between the ages of 15 and 20 who were as interested in the development of this country at this time as this old gentleman. I bring that matter to the attention of the minister and I should like to have his comments when he replies at a later date.

Mr. Hees: I should be very glad to look over that study and the recommendations which the hon. member has just mentioned. It sounded extremely interesting. If he would be good enough to let me have it, I and my officials will be glad to give it careful study.

The Chairman: Shall vote 392 carry?

Mr. Henderson: I do not like to take up much time of the committee but there is something I should like to mention. I obtained a good bit of notoriety in the papers in connection with the Banks case. Apparently Mr. Banks has been moving in on a ship's crew and telling them that if they hire certain people they would jerk the crew off the ship. I have here a sworn statement made by a man who had worked fifteen years on a boat. Banks told him at eleven o'clock on June 2 that he would have no ship if they hired the man. The gentleman's family is hard up against it. He spent fifteen years working for these people. Banks told him distinctly he would take the crew off the ship if the man were employed. What kind of country have we?

The Chairman: Shall vote 392 carry?

Mr. Chevrier: I should like to join with my colleague the hon. member for Richelieu-Vercheres in dealing with a matter which is of extreme importance not only to himself but to all Quebec members, particularly those in the Montreal area. I refer, of course, to the Champlain cut-off or the Richelieu waterway as it is often called. It is a question which has been under discussion for some years. It is one with which the hon. member for Richelieu-Vercheres is more conversant than am I. It is one that should be engaging the attention of the House of Commons at this time.

I say that, Mr. Chairman, not only because of the representations which have been made to many hon. members, and more particularly to hon. members opposite, but also to several of the ministers of the present government. I know that groups and associations have banded themselves together in order to make the requisite recommendations in favour of this waterway. I think the time has arrived, first, for the appointment of a board of engineers to consider the economics of this waterway. I do not suggest that the time has arrived to go beyond that point yet. But in order to have a perfect understanding of the problem that is before us there must be at least some sort of economic or engineering study; and that is what I want to plead for on this occasion.

The committee knows the matter engaged the attention of the international joint commission many years ago. The matter came before the international joint commission because it concerned, I presume, boundary waters; it concerned waters which had to do with the Richelieu river and the canals of Canada, including the Champlain and St. Ours canals, as well as the Champlain waterway together with the Hudson river. Because of the fact that several states of the union were interested in the project, the matter was referred to the international joint commission for determination. That was done back in 1937.

The international joint commission at that time considered a number of alternate routes. It is not my intention at this time, because of the hour, to go into these routes seriatim. There were two routes which extended from the south shore of lake St. Francis to the

city of St. Johns. Consideration was given to a number of other routes, one of them going from Caughnawaga to the Richelieu river and another following the Richelieu river itself.

The point I wish to make at this time is that the international joint commission felt that the time had not arrived to make a determination of the issue and they asked that the matter be held in abeyance, that the report which they made in 1937 be considered as an interim report and that as and when the great lakes-St. Lawrence seaway was developed the international joint commission should be seized of the problem again.

It is quite clear why the international joint commission made that decision. At that time consideration was being given to the great lakes-St. Lawrence waterway. It was inconceivable that this cut-off should be built when so many discussions and so many negotiations had been carried on in connection with the other project. But now that the other project is in fact completed; now that the official opening will take place; now that we know what is going to happen I think the time has arrived first for the appointment of a board of engineers to consider the economics of the Champlain-Richelieu cut-off and, next for referring the matter to the international joint commission so that it might give the proper consideration to it.

The Minister of Transport or the government might feel that the international joint commission is the body itself to appoint the engineers to deal with the matter. But to my mind there is no doubt that the time has now arrived to give this matter consideration. I say that the time has now arrived to give this matter consideration because of the fact that a board of engineers dealing with a matter such as this will take many months, perhaps a year to report; I do not know how long they might take. Because of that fact I think the government should be giving the matter more active consideration.

Mr. Chairman, I should like to call it six o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask what the business is for tomorrow and Friday?

Mr. Green: We shall continue with these estimates and then take the estimates of the Department of Justice.

Mr. Chevrier: What about Monday?

Mr. Green: I cannot give the hon. member that information.

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

ANSWER TO QUESTION

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

JEAN C. LESSARD

Question No. 448—**Mr. Argue:**

1. Is a Mr. Jean C. Lessard presently employed with the St. Lawrence seaway authority? If so, in what position?
2. Does Mr. Lessard hold any positions with crown corporations or boards?
3. If so, which ones, in what capacity, from what date, and at what remuneration?
4. Is Mr. Lessard a director or officer of any other non-government company?
5. If so, what companies, in what position, from what date, and in what business are these companies engaged?
6. Has any department of the government, crown corporation, the Canadian National Railways or the St. Lawrence seaway authority, contracted, purchased or had any business relationship with any of the companies with which Mr. Lessard is connected since his association with them?
7. If so, what departments or government bodies or agencies, what was the nature of the business, the date, and value of each transaction?

Question

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. Yes; vice president:
2. Yes.
3. Cornwall Internationl Bridge Company Limited, president, 1 October 1957, no remuneration; Northern Ontario Pipe Line Crown Corporation, director, 1 March 1957, no remuneration.
4. No.
5. Answered by 4.
6. Answered by 4.
7. Answered by 4.

HOUSE OF COMMONS

Thursday, June 11, 1959

The house met at 11 a.m.

MISCELLANEOUS PRIVATE BILLS

Fifteenth report of standing committee on miscellaneous private bills—Mr. McCleave.

ROYAL VISIT

COMMEMORATION FUND FOR RESEARCH IN CHILDREN'S DISEASES

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, one week from today Her Majesty the Queen will once more set foot on Canadian soil. As Canadians prepare to welcome her, I think it is appropriate that I should make an announcement which I feel sure will be of general interest. The Queen has always shown a personal interest and concern in and devotion to the welfare and physical well-being of children; therefore in place of the usual presentation it has been considered desirable that the commemoration of her visit take the beneficiary form of a fund which would provide new hope for Canadian children.

This matter has been brought to her attention and she has been graciously pleased to approve the proposal of the Canadian government that a fund for research in children's diseases be established. With Her Majesty's consent the fund will be known as the Queen Elizabeth II fund for research in children's diseases.

The purpose of the fund will be to provide financial aid to institutions and individuals in Canada engaged in research in children's diseases, a field of medical science in which many problems remain unsolved.

The amount of the fund will be $1 million, for which amount the government will shortly ask parliament for its acceptance. I should add, too, that without in any way constituting a suggestion, much less a direction in this regard, if any provincial or municipal authorities desiring especially to mark the visit of Her Majesty would desire to do so, the Queen has signified that she would be happy if the fund were to be the beneficiary of any additional contributions which might be offered from such sources.

May I express satisfaction that it is possible, in thus commemorating her forthcoming visit, to manifest in her name as Queen of Canada support for the efforts being pursued in all parts of the country toward the progressive elimination of the scourge of diseases affecting children.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am sure all members of the house will have heard with great pleasure the Prime Minister's announcement. In so far as we on this side of the house are concerned, we warmly support this proposal as a most imaginative and constructive way of commemorating Her Majesty's visit. If there could be additional contributions to the fund by provincial and municipal authorities and perhaps even by private individuals, that might make the fund even more important in carrying out the great work which the Prime Minister has mentioned.

I am quite certain that Her Majesty will get a great deal more satisfaction from this kind of gift than from another mink coat or piece of jewelry. I am also satisfied that Canadian children in the years to come, because of the work done through this fund commemorating her visit, may have cause to remember the visit with even greater joy than would ordinarily be the case.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the C.C.F. group feel that the Prime Minister's announcement is most appropriate. We believe that Her Majesty and Canadian citizens generally will welcome and support the proposal to provide a million dollar fund for research into children's diseases as a most suitable indication of the esteem of Canadian citizens for Her Majesty. I am certain that Her Majesty will derive great personal satisfaction from this tribute in the realization that for many years to come the fund will be used to improve the lives and increase the hopes and happiness of certain of Her Majesty's subjects, those who are stricken in childhood, so their future may be brighter.

CRIMINAL CODE

Hon. E. D. Fulton (Minister of Justice) moved for leave to introduce Bill No. C-58, to amend the Criminal Code.

Motion agreed to and bill read the first time.

Proposed Legislation

COMBINES INVESTIGATION ACT AND CRIMINAL CODE

Hon. E. D. Fulton (Minister of Justice) moved for leave to introduce Bill No. C-59, to amend the Combines Investigation Act and the Criminal Code.

Mr. Pickersgill: Explain.

Mr. Fulton: I would appreciate the opportunity of making a short explanation. This bill contains one clause which would provide the governor in council with the power to appoint ad hoc commissioners and to pay them such remuneration and allowances as might be set. When the bill was first submitted it was thought there would be no need for a resolution. Since notice of the bill appeared in *Votes and Proceedings* a question has arisen as to whether, with that clause in the bill, it would require a resolution. However, the bill is now on the order paper and in view of the time factor this session and since it is not absolutely essential to have this provision in the bill at this session, it is my suggestion that the matter be dealt with by my giving notice that at the committee stage, after second reading, I will move to delete that clause. This would have the result that there would be no financial implications in the bill and, on that basis and with that explanation, I would ask the house to give consent to the introduction of the bill at the present time.

Mr. Speaker: Is it the pleasure of the house to give consent to the introduction of the bill, on the basis of the minister's explanation?

Motion agreed to and bill read the first time.

PRIME MINISTER'S RESIDENCE ACT

AMENDMENT TO INCLUDE PROPERTY IN COUNTY OF GATINEAU

Hon. Howard C. Green (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the schedule to the Prime Minister's Residence Act to bring certain property in the township of Eardley, county of Gatineau within the scope of the act.

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO EXTEND OPERATIONS, PROVIDE FOR MAXIMUM GUARANTEE OF BANK LOANS, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Farm Improvement Loans Act to extend its operations for a further period commencing on the 1st day of April, 1959 and ending on the 30th day of June, 1962; to provide that the maximum amount of bank loans made in the new period and guaranteed under the act shall be three hundred million dollars; to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

EXTERNAL AFFAIRS

NATO—INQUIRY AS TO WITHDRAWAL OF CANADIAN AIR SQUADRONS FROM FRANCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of National Defence whether he can give the house an assurance that the Canadian air division in France under the NATO command will not be affected by any orders that may be issued to the United States squadrons by the NATO commander, moving those squadrons out of France.

Hon. G. R. Pearkes (Minister of National Defence): At present there are six squadrons of the air division located in France. Four of these squadrons are equipped with the F-86 and two with the CF-100. These aircraft are not equipped to carry nuclear weapons, so the question of their redeployment hardly arises at the present time. I think, therefore, I can give the necessary assurances to the Leader of the Opposition.

RUSH-BAGOT TREATY—REQUEST FOR TABLING OF EXCHANGE OF NOTES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs whether, if it has not already been done, he would table the exchange of notes modifying the Rush-Bagot treaty concluded, I think, last spring, to make possible the passage of 27 United States vessels through the Welland canal?

Hon. Howard C. Green (Secretary of State for External Affairs): I will be very glad to do that.

COAL

DOMINION COAL BOARD—SUGGESTED USE AS SALES AGENCY

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Has the minister of mines given any consideration to the proposal by the

united mine workers of America that the powers of the dominion coal board be enlarged so that it can act as a coal sales agency?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): I shall take the question as notice and have an answer prepared for tomorrow or Monday at the latest.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO ATTENDANCE OF PREMIER OF QUEBEC

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Finance. In view of the statement made by the premier of Quebec, appearing in several newspapers, to the effect that he will attend the meeting of ministers to be called here in July, will the premier be welcomed at the next meeting and will he be entitled to take part in the discussions?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, as I indicated yesterday, I have had no intimation on this subject except what has appeared in the press as alluded to by the hon. gentleman. I expect that any provincial premier coming to Ottawa at any time is assured of a welcome.

Mr. Chevrier: Does it follow from the minister's answer that he is also assured of taking part in the discussions?

Mr. Fleming (Eglinton): That will be a matter, I take it, for decision on the part of the government of Quebec as to its representation at the conference. It will certainly not be the intention of the federal government to put obstacles in the way of the selection by a province of whatever delegates it may choose.

Mr. Chevrier: Would that answer apply also to all other premiers of provinces, whether or not they are ministers of finance?

Mr. Fleming (Eglinton): We do not attempt to draw distinctions between provinces.

[Later:]

Hon. J. W. Pickersgill (Bonavista-Twillingate): Would the Prime Minister consider, with a view to relieving the Minister of Finance of all the embarrassment which will obviously be caused by having his uninvited guest turn up, inviting the premiers of all the provinces and having a real conference in July?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): The only embarrassment which I perceived was that caused to the questioner a moment ago, and not to the Minister of Finance.

Mr. Pickersgill: But does not the Prime Minister think that in view of the fact that the premier of Quebec has announced his intention of coming it would be a very beneficial thing to invite all the premiers and have a real conference?

(Translation):

POST OFFICE DEPARTMENT

INQUIRY AS TO APPOINTMENTS BY CIVIL SERVICE COMMISSION

On the orders of the day:

Mr. H. J. Michaud (Kent, N.B.): Mr. Chairman, I should like to direct a question to the Secretary of State. Could he tell us whether positions held in what are known as semi-staff post offices of the Post Office Department come under the civil service commission? If so, are those positions filled after public notices have been put up and an oral or written competition has been held to that effect?

Hon. Henri Courtemanche (Secretary of State): Mr. Speaker, I thank the hon. member for having given me notice of his question. The reply is as follows: Assistants appointed to semi-staff post offices are appointed by the Postmaster General.

Postmasters of semi-staff post offices come under the civil service commission. Those positions are advertised by the commission, offered to patrons of the post office concerned and filled on the basis of a written and oral competition.

However, when the Post Office Department recommends the appointment to a postmastership of an assistant postmaster with ten years' service, the commission may, if satisfied that the employee concerned has the required qualifications, ask the governor in council to approve waiver of the Civil Service Act so as to proceed with the appointment without a competition being held.

(Text):

DEFENCE PRODUCTION

NORTHROP AVIATION—REPORTED READINESS TO LET CONTRACTS IN CANADA

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wish to address a question to the Minister of Defence Production. Can the minister comment on the statement issued a few days ago by Northrop Aviation to the effect that they were ready to let contracts in Canada?

Inquiries of the Ministry

Hon. Raymond O'Hurley (Minister of Defence Production): I have read articles in various newspapers about the letting of contracts worth several millions of dollars in Canada. I can only state for the time being that any aviation company is at liberty to make propaganda for its own planes. In the Department of Defence Production several suggestions have been made for contracts, and we are working on them. If Northrop are interested in placing contracts, as they have stated in the press, we have not been officially advised of it. We are certainly interested.

Mr. Fisher: May I ask a supplementary question. Can the minister say whether Northrop have any contracts for aircraft at the present time which might fit into the Canadian defence picture?

Mr. O'Hurley: At the present time my answer is no.

INQUIRY FOR RETURN

FEDERAL GRANTS TO NEWFOUNDLAND AND OTHER PROVINCES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I would like to ask the Secretary of State if his department has yet received the partial return which the Minister of Finance told us over a week ago had been sent to his department in response to a request by the hon. member for Trinity-Conception; and if so, would the minister table it?

Hon. Henri Courtemanche (Secretary of State): Mr. Speaker, I think I will be able to deposit everything tomorrow.

SPORTS

REQUEST FOR HOUSE OF COMMONS SOFTBALL TEAM SCHEDULE

On the orders of the day:

Mr. R. J. McCleave (Halifax): Mr. Speaker, for the benefit of tourists and others seeking high class entertainment, could I ask the hon. member for Waterloo North the schedule of this year's House of Commons softball team?

Mr. O. W. Weichel (Waterloo North): I may advise the hon. member for Halifax that the first game will be played on Wednesday, June 17 against the protective staff, and on Wednesday, June 24 we shall be playing our friends in the press gallery.

An hon. Member: Friends?

Mr. Speaker: I am not sure whether this is business of the house or orders of the day.

[Mr. Fisher.]

SUPPLY

The house in committee of supply, Mr. McCleave in the chair.

DEPARTMENT OF TRANSPORT

392. Departmental administration, $2,587,500.

Mr. Chevrier: Mr. Chairman, last evening when the house adjourned I was discussing a matter which had already been introduced by my colleague the hon. member for Richelieu-Vercheres, and that was the all-important question, for a number of us, of the construction of the Champlain waterway or cut-off, as it is often called; or again, the deepening of the Richelieu.

I think I had almost completed my remarks, and I will not detain the house unduly, but there are one or two additional points I would like to make. However, before making them I think I should say this, that after the house adjourned one hon. member, with whom I am friendly, indicated to me that perhaps it would not be opportune to give consideration to this question when there is at the present time so much uncertainty about additional facilities at Welland. While I welcome that suggestion from the hon. member, which I think is very much to the point, it does seem to me, sir, that the two projects are not exclusive of each other.

Before I return to my original point I would like to pause here for a moment to remind the Minister of Transport that on an earlier occasion I asked him whether or not consideration was being given by the seaway authority engineers to the duplication of facilities at Welland. He avoided the question, as he sometimes does in his very elusive manner. But here may I make this suggestion to the minister. I said before that it is too early to determine now whether or not the facilities at Welland are sufficient. It would take at least one navigation season in order to determine that, if not two, but as the committee knows much of the work on the St. Lawrence seaway has been completed and many of the trusted officers and engineers have been forced to find work elsewhere.

Would it not be an excellent idea if some of those engineers who were associated with the special projects branch of the Department of Transport were retained in order to make a study of the cost and the economics of duplicating the single locks in the Welland canal? There is no doubt if that job were to be done it would take some years and would cost substantial sums of money. Therefore it seems to me to be opportune at this time for the special projects branch of the department to give consideration to that suggestion. I wonder whether the minister when he replies would not be so good as to let the

committee know whether this matter will be attended to, if it has not already been started.

I come back now to the question I was discussing in the first place. I do not think that by any stretch of the imagination these two projects are exclusive one of the other. On the contrary, I believe that if the Richelieu and Champlain cut-off were constructed it would add to the potential and increase the traffic of the St. Lawrence seaway. If I could pause here for a moment I should like to bring to the attention of the committee one of the findings of the international joint commission dealing with the Champlain waterway in April of 1937, concerning the costs.

After having come to the conclusion that five routes had been under discussion the commission stated that the estimated capital cost and annual carrying charges for the construction of a 12-foot waterway from the St. Lawrence to the Hudson via lake Champlain would be approximately $12,884,000 and $953,000 respectively; that the estimated annual cost and annual carrying charges for the construction of a 14-foot waterway would be approximately $50 million and $2,738,000 respectively, and that the estimated capital cost and annual carrying charges for the construction of a 27-foot waterway would be approximately $342,205,000 and $17,646,000 respectively. This will give the committee some idea of what was envisaged in 1937 by way of cost for the three depths of waterway, 12-foot, 14-foot and 27-foot.

My colleague the hon. member for Richelieu-Vercheres dealt with the technical aspects of the waterway from the United States side right up to the international border and then on up the St. Lawrence river. In the remarks I am making now I am not suggesting any route, because the commission in its report had under consideration five different routes and it may be that with the St. Lawrence seaway having been developed new routes not under consideration at that time should be considered today. I am certainly not in a position to say so. I believe that is a matter for a board of engineers. That is why I reiterate the statement I made last evening and on several previous occasions, that a board of engineers be established which would study the economics, the cost and the traffic aspects of this route.

I need not tell the committee that the Minister of Mines and Technical Surveys as well as the Minister of Defence Production, I believe, if not the Solicitor General as well, have received very strong representations in connection with this matter. I am sure their interest in this project is as keen as my own. I have not the slightest doubt that these three hon. gentleman have brought to the attention of the government the various aspects of the problem. However, having had some experience in government I know that very often it is not possible for ministers to rise and say everything they would like to say on occasions such as this because of government policy concerning this and other matters affecting other parts of Canada. I am sure they will not disagree with me when I rise and put forward for the attention of the government the various aspects of this problem.

It seems to me that the time has arrived, as stated in the report of the international joint commission, for that commission to be seized *de novo* of the problem. I believe the international joint commission should be asked to consider it once again. It strikes me that because of the time limitation mentioned in the original report, in which it was stated that this matter should not be considered until after the St. Lawrence seaway had been completed, the time has now arrived for a study of it. It is not too much to ask the government to study it. It would not be a commitment. I think the people interested are entitled to know what are the economic, traffic and financial aspects of the problem, and the only way to do that is through the establishment of a board of engineers or the reference of the question to the international joint commission.

I am sure if the government were to do that it would be a step in the right direction. I need hardly say that I am delighted the Prime Minister is in his seat. I know he takes great interest in problems of national development, and this certainly is one which envisages both Canada and the United States. I ask him if he will not give the matter consideration in the light of the remarks I have just made.

There is one other matter I should like to discuss before I resume my seat. I have taken it up on other occasions, but to me it is a problem of great importance. As the committee knows, once the St. Lawrence seaway was completed a number of canals disappeared. The Soulanges canal disappeared—not physically, I hope, but it disappeared from a point of view of navigation—because the route is now moved from the northern part of lake St. Francis down through the Beauharnois canal. The Lachine canal does not disappear but will continue to service industry so long as industry remains there. The movement of the 27-foot draft ships will be up the south shore through the new locks at St. Lambert and Cote St. Catherine. As hon. members may be aware, several of the Ontario-St. Lawrence canals will disappear including the Farran's Point canal, the Rapide Plat canal, the Williamsburg canal, the Cornwall canal and the Iroquois canal. In fact they are gone now. They are under water save and except about

2½ to 3 miles of the Cornwall canal. With the disappearance of these canals—if not physically, as I have said, at least from the point of view of traffic—also go the employees, and that is the point I want to deal with. I ask, what will happen to the employees of these canals? I know the minister has the problem under consideration; I know the minister and his officers have given this problem pretty serious consideration. I know that in some cases they have succeeded in finding jobs which were adequate for people who have been displaced, which were equal to the jobs they had before; but I also know of a number of cases which I personally took up with the minister where that has not been possible, where that was not done. I am now asking the minister whether he will bring the committee up to date on the position of all these employees of the Department of Transport on the various canals. These employees have been there for many years, some of them I think for as long as 35 or 40 years, and others have been there a shorter length of time.

In answer to a question which I put on *Hansard* it was indicated to me what the position was at that time. I think it was indicated that in the eastern district, that is concerning the Lachine canal, there were about 230 employees affected. It was indicated that in the central district, which included the Soulanges and Beauharnois canals, there were 136 employees affected, and in the Ontario-St. Lawrence canals, the western district, there were 225 employees affected, making a total of 591. In the return I think it was indicated that it had been possible to find employment under the St. Lawrence authority for 432 of those employees, leaving 159 without work. I believe that was in April of this year, and I hope the position is better now than it was at that time.

So as not to rise again on the matter, I would like to bring certain things to the attention of the house. The minister may remember that on a similar occasion some years ago, in 1954 as a matter of fact, the Department of Transport disposed of certain assets in British Columbia to the British Columbia Telephone Company. These telephone services were operated by the Department of Transport. An agreement had been made with the British Columbia Telephone Company under which the employees of the Department of Transport would be taken on, and the officers of the Department of Transport did their best to make sure that no one would lose employment because of the transfer. They succeeded in large part but they did not succeed in full and when I came before the house with my estimates there was no one more insistent than the British Columbia members that there should be no one who, having been an employee of the Department of Transport, should suffer because of the transfer and because of the exchange.

I was impelled by the strength of the argument to indicate to the officers of the department that I left a great deal more should be done than had already been done. I remind the committee that on that occasion more than one member said that the financial treatment because of the transfer was much better with the new corporation than with the Department of Transport, although certain superannuation benefits were perhaps not as good.

The result was that the Minister of Justice, then the member for Kamloops, as he still is, rose in the house and spoke at some length on the matter. After a full discussion of the whole matter by parliament, after parliament had been given the views not only of the member for Kamloops but also of a number of the members from the C.C.F. party, it was felt that no one should be left without employment because of that transfer.

I am happy to report that in the discussion which followed I think most members of the house felt that the arrangement made was satisfactory. I am not going so far as to say, sir, that no one was left without employment. No, that was not the case. I think I was able to report that, dealing with certain other employees of the Department of Transport who were displaced because of radio matters—260-odd members—employment had been found for every one of them with the exception of 7, and among those there was, of course, the difficulty of age.

I am sure the officers of the Department of Transport and the minister himself will want to see to it that no injustice is done in this case. May I go a step further and make this statement. I hope it will not be found to be an exaggerated one. I believe it is the responsibility of the Department of Transport to see that every one of those canal employees who has been displaced is given a job similar or closely similar to the one he had before. I know that is a difficult task. I know it is not easy when you move from one branch of government to another to meet that requirement. But I know the sympathetic attitude of those who are dealing with this problem. I am sure they will keep that in mind. I am as convinced now as I have always been that when, because of a great public project, a large body of men are displaced there is an obligation, certainly a moral and an equitable obligation,

on the part of the state to see to it that similar employment is given to the man who has been displaced.

I do not want to deal with individual cases; I have taken them up with the minister. He has been very courteous in his treatment of those individual cases, but there are a number of individual cases where the employment found is not nearly comparable to that which existed before. On behalf of all those employees I ask that consideration be given to the matter with the end in view of seeing that no one is left without employment.

I wonder whether the minister could bring me up to date on the present position.

Mr. Hees: Yes, Mr. Chairman, I shall be very glad to. First of all, the hon. member for Laurier suggested that the St. Lawrence seaway authority keep a nucleus of engineering staff for future planning and operations. Several months ago the president of the St. Lawrence seaway authority spoke to me about this matter and made that suggestion to me. I readily agreed that this was desirable, and it has been in operation for some time now.

The hon. member mentioned what might be done to speed up operations in the Welland canal. That is under active study at the present time, and it would appear that the most effective thing we could do would be to introduce mooring walls between certain of the locks. It is estimated that this should increase the over-all capacity of the canal by about six ships per day.

The hon. member spoke about the Richelieu canal, and I should like to read him a short report made to me by the members of our economics division and the public works engineers who are working on this project at the present time. It reads as follows:

> The previous cost estimates are now being revised in the light of recent alternative plans and present-day costs by the Department of Public Works, and when these are completed some estimate can be made of the volume of traffic required to justify improvements to the present canals and studies will be made to determine probable traffic available.

Mr. Chevrier: May I ask who are the members of the committee dealing with this matter?

Mr. Hees: There are no specific members. It is our regular economics staff and the engineering staff of the Department of Public Works. Between the two of them they are handling it. If the hon. member wishes I can find out later who they are.

Mr. Chevrier: I do not want to insist, but were they given terms of reference to deal with the report of the board of engineers of 1937?

Mr. Hees: These are the terms of reference under which they are working. First of all, we are trying to find out what the economic justification might be for proceeding with work of this kind, and the probable engineering costs.

Mr. Chevrier: I do not want to pursue it unduly, but has the economics branch of the department the mechanics to do this? My understanding is that the economics branch consists of a group of efficient officers who deal with problems of an economic nature, but are there any engineers attached who can go down to the area and study the problems of traffic, the volume of traffic and so forth?

Mr. Hees: Yes, the public works engineers are doing that end of it and our economics branch is capable of producing a preliminary economic study.

The hon. member also asked about the replacement of displaced personnel from our canals branch. When I last reported to the house on April 9 I reported that at that time there were 61 Department of Transport canal personnel who were still unplaced. Of the surplus of 61 considered eligible for employment, 3 have since been given regular appointments and 29 casual employment, leaving a total of 29. In all the seaway authority has given employment, regular and casual, to 407 former Department of Transport employees, and I might add that as time goes on we are endeavouring in every way to find employment for those whom we have not yet been able to place. I think the hon. member is particularly interested in the Lachine canal section. There are only 4 there physically capable of doing the heavy work required who are still unplaced.

While I am on my feet, yesterday the hon. member—

Mr. Chevrier: May I interrupt the minister? I think he would want me to say this. So far as these employees are concerned, from what the minister has said and what I know there appears to be an improvement over the situation indicated in the return made in the house. I am grateful to the minister for that improvement. The minister has said there are 29 canal personnel still unplaced, but I would ask him to give consideration to the fact that many of those 61 employees who have been placed have not found comparable jobs. Would he ask his officers to direct their attention to that point, and also to the fact that of the 61, 29 are casual workers. While it is much better to have casual work than none at all, and I agree that is a step in the right direction, none the less casual workers only work during the season of navigation lasting seven

and a half to eight months, and will be without employment for four to four and a half months. Would the minister ask his officers to see if it is not possible to find employment for all these displaced people from now until the end of the year?

Mr. Hees: I am very glad to be able to assure the hon. member that we will do our very best to do just that. Yesterday the hon. member for Laurier asked if I would have included in *Hansard* the correspondence I have had with the hon. member for Peel regarding the Malton expropriations. I have here all the correspondence that was referred to in the court case and also any other correspondence that I or my department have had with the hon. member on this matter. I am glad to include this correspondence in the record. I will also be glad to send an extra set to the hon. member for Laurier. I am afraid he is going to be disappointed with it, but I am sending him absolutely everything.

Mr. Chevrier: I am never disappointed.

The Chairman: Is it the pleasure of the house that these letters be put on *Hansard*?

Some hon. Members: Agreed.

[*For text of letters referred to above, see appendix*].

Mr. Hees: Before I sit down I want to finish the questions that were brought up yesterday. The hon. member for Vancouver East suggested yesterday that the return to address No. 67, calling for the production of correspondence, documents, etc. dealing with claims made by contractors for payments by the St. Lawrence seaway authority, was not complete, and to substantiate his remarks he produced and laid on the table an affidavit of Redmond Grant which referred to documents which the latter presented to me in December, 1958. Attached to the affidavit was what purports to be a record of the proceedings of a meeting of contractors discussing ways and means of presenting their claims to the government. These appendages to the affidavit are marked "confidential".

The matters which concerned me in connection with Mr. Grant's submission were complaints of faulty work in the construction of piers for the Cornwall island south channel bridge and in the painting of mitre gates. I did not concern myself with the "confidential" documents relating to contractors' claims. I did not know how they came into the possession of Mr. Grant or whether he was authorized to make them public. As I said some time earlier this session when the debate was taking place on the St. Lawrence seaway and when I was asked if I was aware of this report of contractors' meetings, I said I had no knowledge of it and I did not. It is not a matter that I have any recollection of Mr. Grant having discussed with me when I met him in my office some time last fall.

Return No. 67 was, of course, compiled from the official records in the normal way. I reviewed the return before submission, and as far as I knew it represented a proper and complete return in the terms of the address. Any references to contractors' claims in the submission made to me by Mr. Grant were incidental and confidential, and the propriety of including these documents in the return was certainly questionable. As I have said, the matters complained of by Mr. Grant which concerned me were his suggestions of improper workmanship by seaway contractors.

As to the Cornwall island south channel bridge, I was very familiar with that matter and followed closely the remedial measures required. In answer to a question by the hon. member for Vancouver East, complete details were furnished and I shall repeat the gist of the information then given:

> The Foundation of Canada Engineering Corporation Limited was retained by the seaway authority to review all field information, the decisions made and the procedures followed in the construction of the piers, and to give an opinion as to the adequacy of remedial measures undertaken. A preliminary report, dated January 11, 1958, included a statement that ". . . and the remedial measures being taken are reasonable ones".
>
> In view of the concern subsequently expressed in some quarters as to the adequacy of the piers, the corps of engineers, United States army and the seaway authority appointed an independent board of consultants to investigate and to rule or recommend on the matter. This board comprised Emil H. Praeger of Praeger-Kavanagh, consulting engineers, New York; G. F. Ferris, president of Raymond International Inc.; and D. F. Murphy, chief structural engineer of Foundation of Canada Engineering Corporation Limited.
>
> The board first met on April 4, 1958, when it approved of the remedial measures adopted. Following a thorough investigation of all features of work performed, the board, in its final report dated October 14, 1958, stated that the piers and the soil on which they rest are now adequate to safely sustain all dead and maximum live loads.

As to Mr. Grant's complaint concerning the painting of mitre gates, the president of the seaway authority reported to me as follows:

> There has been a suggestion that unsatisfactory work was accepted in connection with the painting of certain lock gates, as reported upon by the Warnock Hersey Company Limited, who were employed as inspectors. Certain objectionable features were observed and remedial measures were taken, or are to be taken, to restore the vinyl system of painting to an acceptable condition. The chief engineer of the St. Lawrence seaway authority has reported as follows:
>
> "Although, as indicated by the inspection company, the surface texture and appearance of the painting does not strictly comply with the requirements of the specifications, this can be observed only by close examination and will certainly not be apparent when the gates are placed in service.

"The important feature is that, despite the somewhat uneven surface, the paint has been applied to at least the minimum specified thickness and its adhesive properties are excellent. It is expected that the durability of the paint will be as great as that contemplated.

"Some of the walkways, handrail and diagonals had been shop painted without first having received a wash coat, with the result that there was improper adhesion. These parts were recleaned and completely repainted to specified requirements.

"The authority may be assured that neither the Warnock Hersey Company nor the authority engineers will accept workmanship inferior to the specified, except for the somewhat rough surface texture in some areas which are of insignificant importance."

It is the practice of the authority to retain sufficient security to ensure proper completion of the work.

The house may be interested in the status of Mr. Grant, who issued the affidavit. He was employed by the seaway authority in their inspection branch in May, 1957 at $300 a month. He resigned in March, 1958 when his salary was $310 a month, giving poor health as the reason for his resignation.

The hon. member for Vancouver East and perhaps also the hon. member for Assiniboia appear to be concerned by reason of the representations they have received from Mr. Grant, and perhaps others, concerning faulty work by contractors on seaway construction. I know there have been difficulties, arising partly from the urgency of having to complete the work on schedule. On the other hand there is a danger in exaggerating the situation and leaving an improper impression on the public. I make the suggestion that I would be very glad, at any time that would suit the convenience of the hon. members for Assiniboia and Vancouver East, to arrange a meeting at Ottawa at which the responsible officials of the seaway authority would discuss with them the complaints they have received, and indicate to them the action which has been taken by the authority. I would be very glad to arrange such a meeting, and to see that all relevant documents are made available to them.

Mr. Fisher: I would like to make a reference to the minister, since I am speaking for the first time on his estimates. About a year ago I was travelling west by train and I was in company, fortunately I will say, with a number of young Progressive Conservatives who were returning from a gathering in the east. They began discussing the future of the party, and they were in almost unanimous agreement that the Minister of Transport was going to be the crown prince or was the crown prince of the party. I was telling them I thought they should wait a bit and see how the crown prince performed with this particular department before they went overboard. In so far as his performance in this department is concerned, and it is one I have followed more closely than any other in the House of Commons, it has not been one that has impressed me very much.

I have a strong impression that the deputy minister has too much work to do and that there needs to be one or two more deputy ministers in the department. I hope when the parliamentary assistants are handed out this department will get a couple of them, because I think the very situation that developed in connection with the Malton land deal is an indication that perhaps there should be a bit closer rapport between the elected assembly and the officials of this department.

The Malton case interested me many months ago. I put a question on the order paper which, unfortunately, could not be answered because a decision had not yet been rendered by the court. I have no question or doubt about the integrity or honesty of the hon. member for Peel. In many ways I admire the stand he tried to take throughout the whole situation, but the problem brings up the whole question of the functions of a member of parliament. The hon. member for Peel had some constituents with a very definite grievance. This grievance was turned down in a court of law, in effect, but long before that he brought it to the attention of the minister. According to the evidence he gave he got some kind of undertaking from the minister, in the presence of some of the minister's officials, as to what would be done. Unfortunately the minister could not follow up on the undertaking to the hon. member for Peel, and we have to accept the fact that there is confusion as to just what was said or just what was accepted at that particular meeting.

In my opinion this particular case has significance because one often hears that opposition members are ineffective and, in a sense, are just futile mouthers of words; that one needs to be a government member in order to get anything done. This seems to be a case where a government member, a member with a strong enough personality and ability to be appointed whip of the party, was not able to achieve his particular goal. In a sense I almost regret it, because I think in this particular case he had some real worth and some real justice behind his request.

What does a member of parliament do when he has a constituent problem such as this, and he gets some kind of undertaking from the minister or from the officials to investigate the matter? There seems to be a kind of no man's land in here in which the position of the member of parliament is

extremely indefinite. I do not know whether it could be or should be defined, but certainly I think this is one demonstration of the lack of power and the lack of influence of the member of parliament. I am not speaking particularly of the member of parliament for Peel. I think this is an indicator, in a general way, for all members of parliament.

We are continually getting requests from our constituencies: would we try to do something about a certain situation, a personal grievance or a regional area grievance. We take it up with the officials and the minister and in some cases we get attention, while in other cases we get the brush-off. The Department of Transport seems to be one of those in which we get the brush-off more often than we get attention, but certainly it is not as bad as the Department of National Defence or some of the others.

In this particular kind of case, what position has the member of parliament in so far as his word is concerned? What undertaking could we have? It seems to me one of the faults in this case is that we do not have any kind of written account as to what took place at this particular meeting. I first became interested in this case when it was brought up in the *Telegram* by one of the columnists. The position she took was harshly critical of the minister. I was attracted by her phrase that these people had been "Heesed out". Later another correspondent for the same paper, Mr. Peter Dempson, wrote a long story which appeared on November 14 and November 15 of last year, trying to present the matter from the minister's point of view.

I cannot make out from this, or from the story given to the house, what is the minister's conception of the position of a member of parliament, and I would suggest that in future dealings with all members of parliament he should try to put something on record so we shall not misunderstand what the minister wants, or means because I am confident that the hon. member for Peel did not realize that the minister did not have the authority to give him an assurance.

In closing my remarks on this subject I should like to reiterate that there is no question at all in my mind about the integrity of the hon. member for Peel. I think he was honest and direct throughout the whole course of these events, but we are still left in the position that the individual member of parliament, whether supporting the government or the opposition, has a very peculiar relationship and a very indefinite relationship to many of the purposes he is seeking to achieve. My own comment on that is that anything we can do to increase, I will not say the power but certainly the scope and the ability of a member of parliament to perform a more important function than he is performing at the present time should be under consideration at all times by the government and the house.

The next point I wish to raise in dealing with these estimates arises from a great deal of contact which I have had in the last ten days or so with people who work with the Canadian National Railway and who are interested in the Canadian National Railway, and I wish to bring this up in fairness to the president of that railway, Mr. Donald Gordon. Following the meetings this session of the standing committee on railways, the impression has gone widely abroad that Mr. Gordon treated members of that committee in a rough, tough and nasty fashion and that he, in a phrase, put the members of parliament in their place.

Mr. Chairman, I attended every meeting of that committee and I did not get that impression, though it is certainly the impression that is abroad in the country. In consequence, many employees of the C.N.R. who have always doubted Mr. Gordon's knowledge of railway problems have been incensed about this and have said, "What are you members of parliament going to do about the president telling you off?" To be fair to Mr. Gordon, he made his remarks on the functions of the committee after he had been persistently asked by me to make his comments on the work of that body.

I have been on the committee for two years and I have gone back over its records in previous years, and I am as willing as any other member of the committee to admit that its performance could be improved. That is why I wanted to get suggestions from the president as to what he thought about the ways in which the committee could be improved. I was disappointed that the committee did not bring to the house any of the recommendations which Mr. Gordon said he would give us. It seems to me that we could take a better look, in committee, at the operations of the Canadian National railroad; but I want to put it clearly on record, as perhaps the most persistent questioner in the committee, that I had no feeling at any time that Mr. Gordon had told us off. As far as I am concerned he only gave us information which he was asked to give. My only regret is that somehow that committee did not function well enough to enable us to enquire more deeply and in a more informed manner into the operations of the railway.

I cannot resist making some remarks about lakehead harbour and shipping, and, in particular, the lakehead harbour commission. We have had a provincial election campaign going on, and right at the centre of it in

our region has been the lakehead harbour commission. I remember telling the minister months ago that if the government is going to appoint Conservatives to this commission it should remember that there are smart Conservatives and some Conservatives who are not so smart, and I appealed to him to appoint some smart Conservatives.

We put through the bill setting up the lakehead harbour commission last August. The commission held its first meeting only about three weeks ago. All that delay, coupled with the fact that an expert from the Department of Transport did not reach the lakehead until May 18 to consult with the local people, is an indication to me of the correctness of my remarks on an earlier occasion about the way this department operates. I have a very definite feeling—and this is one of the concrete examples—that the burden of work is too heavy on the senior men in this department. Otherwise how can one explain that a commission which is given authority to get moving last August does not hold its first meeting until May 18, after the first foreign ships are through the seaway?

In a political sense this has not redounded to the credit of the Progressive Conservatives either federally or provincially, but that is aside from the point. We need a lakehead harbour commission which has members with a great deal of initiative and background, people who will work hard and really set up something which will make our lakehead one of the best ports on the lakes. But if the performance of this commission up to now is an example, it shows that there is a sad future ahead.

One of the things in connection with this commission which has bothered me is the fact that several of its members are definitely employees of interested parties. I raised this point with the minister before and he decided not to make it an issue, but the fact remains that the C.N.R. owns a great deal of property in the harbour, while Canada Steamship Lines has a very active business into the harbour and also owns a shipyard there. Yet employees of both the Canadian National Railways and of the Canada Steamship Lines are members of the commission. These two employees happen to have been appointed by two cities; they are appointed members. That, of course, is the responsibility of the cities. Evidently the minister did not feel that he could or should check that. But the other three members are chosen by the minister, and I should like to ask the minister if he could explain how he came to make these particular choices. I should also like him to explain the relationship of his government to the provincial government with regard to the provision of transport facilities out of the lakehead harbour in this interim period before the terminal is completed.

One of the most enjoyable things about the election campaign is that it brought Premier Frost into our area on two occasions, and on each occasion he made the point that he was a partner with the federal government in this magnificent lakehead harbour development and all that was going to follow from it.

We are still left with the situation that between the Manitoba border and the lakehead we have no decent road as far as any kind of heavy traffic is concerned, and I should appreciate it very much if the minister would explain to me what conversations he has had with the provincial authorities about the provision of proper routes out of the lakehead harbour.

There is very definite concern in our particular region over the Welland canal toll structure, and a very definite feeling that the government should consider whether it would be possible to abandon these tolls at the end of this shipping season. I know there is a feeling which extends very widely in western Canada, judging by newspaper reports that such a step should be taken, and I know this feeling is also very strong in the Hamilton and St. Catharines regions. I hope this is something which the minister will have his experts consider.

One of the points which come up many times along the lakes is the whole question of shipbuilding. I have often wondered whether some of the present cabinet ministers have not given their speeches of a few years ago to the hon. member for Laurier. The hon. member has been making speeches around the country, including one at the lakehead, about the need for Canada to have both a salt water and a fresh water fleet. This is very much along the old line taken by the Secretary of State for External Affairs and some of the other members of the cabinet, including the present Minister of Transport.

We have had indications that the shipbuilding industry along the lakes is in for pretty heavy weather, specifically at the lakehead, and I would like to ask the minister if at some time during the discussion of his estimates he would review the shipbuilding situation and the prospects for the shipyards along the great lakes. I know there is very definite confusion at the lakehead as to our inability to obtain any substantial contracts. The issue is confused, and in view of the fact that the shipyards are a subsidiary of a

much larger concern, in effect Canada Steamship Lines, I would very much appreciate it if the minister could give us an outline in this particular field.

One of the questions I would like to ask the minister, which could be answered when we are dealing specifically with the radio regulations, and I want to give him notice of it, is whether it is still impossible for anyone to get a radiotelephone in his car if he is not a British subject or a Canadian citizen; that is, as an individual. If this is so I would like an explanation in that regard. I would also like from the minister later on an explanation as to when his department is going to abbreviate its regulations and make it easier for a model enthusiast to use radio frequencies in controlling various models which he may use in his hobby. If the minister would give me that information later it would be very much appreciated.

(Translation):

Mr. Bourbonnais: Mr. Chairman, yesterday we heard the former president of the St. Lawrence seaway bewail the fate of employees who after working on the canals, were transferred, and have not yet found a job on the seaway. I remember that when the hon. member for Laurier (Mr. Chevrier) was president of the seaway, in 1957, men who had been employed on the Soulanges canal went to see him so as to find out what was going to happen to them. He then told these men that they should not expect to be transferred to the seaway, on the grounds that the employees at the Beauharnois canal had not been so favoured when they had found themselves without a job.

Mr. Chevrier: Mr. Chairman, I rise on a point of order. I regret to interrupt the hon. member, but that is not at all what I told those men. There has been no question of a transfer. I am certain that the hon. member does not wish to be unfair to me.

Mr. Bourbonnais: Of course, I do not want to be prejudicial to the hon. member in any way. But when the employees of the Soulanges canal went to see the former president of the seaway, he told them that the member for the riding of Beauharnois would have a say in the replacement of employees and that they should not expect to be favoured with employment at Beauharnois. I was told of this by good old Liberals who had no reason whatever to lie about it. That was the sort of guarantee they received under the former administration.

[Mr. Fisher.]

Mr. Dupuis: On a point of order. Have you any proof of this? Have you any documentary evidence of the truth of your allegation?

Mr. Bourbonnais: The best evidence is that I was told about this by good Liberals.

Mr. Dupuis: Name them.

Mr. Bourbonnais: Certainly. Albert Sabourin and Ivan Castonguay.

Moreover, since the change of administration, about 60 of the 130 permanent and temporary employees of the Soulanges canal have been transferred to the seaway, while 20 or 30 kept their work at Soulanges, and several others were transferred to Lachine. Those men could be asked about the guarantee that was offered them by the Liberal party under the former administration and about the security they are now enjoying thanks to the present administration.

Yesterday, Mr. Chairman, I heard the former president of the seaway complain and express his disappointment about the bad publicity received by the seaway late last season, when a great many ships were icebound in the Lachine canal and in Montreal harbour as a result of sudden very cold weather and an early fall.

Contrary to the statements of the hon. former member for Stormont—now member for Laurier, by grace of importation—I hold excellent publicity was given that misadventure in Montreal harbour. Every day—not to say every hour—radio, TV and all newspapers reported the progress made now by nature, now by the icebreakers, or again by canals or Montreal harbour employees. To prove this, I would say that, as soon as the seaway was opened this year, as soon as it was ice free, so many large freighters sailed into the waterway that there was a bottleneck at the entrance. This proves that, if there really was some bad publicity last fall, shipowners refused to believe it. Anyhow, it was not as unfavourable as the hon. gentleman from Cornwall would have us believe by making statements which have no basis whatever on facts.

I wonder why our hon. friend should have done this? Is it to distort the facts? It is a well known and widely used Liberal practice to sow doubt in people's minds, to make equivocal statements, and to lie in thought as well as in words, wilfully and with impunity.

Mr. Chairman, yesterday we heard the hon. member for Laurier demand a public statement by the present Minister of Transport (Mr. Hees) about a so-called contradiction referred to by the president of the Court of the Exchequer. I wonder whether he himself could not make a statement on professional ethics because one day, at the time when my hon. friend was president of the seaway—around 1956—a professional engineer working for the seaway authority was denied the right to leave his job—by the then president, the Hon. Lionel Chevrier—to take another job with the Miron Manibeque Company, a firm which then had contracts with the seaway. My good friend, sometime president of the seaway, argued that professional ethics did not allow a professional engineer working for the seaway authority to quit his job and take on another one with a contractor working under that same authority.

Now, Mr. Chairman, my hon. friend, who professes sacred respect for professional ethics is now a member of the legal firm Geoffrion and Prud'homme, lawyers for the Canit-Canamont company which has now claims against the seaway authority. In other words, the former president of the seaway, who laboured from 1954 to 57 to see this great scheme carried through, and who necessarily is privy to all its secrets, is now preparing to tear down part of his handiwork on behalf of a few contractors who happen to be his friends. If this can be described as professional ethics, it surely needs a genuinely Liberal mind to see it in that light.

After I am through with my remarks, I should like to hear my good friend make a statement on professional ethics, instead of calling for such a statement from the present Minister of Transport.

Yesterday, Mr. Chairman, the hon. member (I mean the former member from Cornwall) referred to the popularity of the seaway. He should have consulted the railway companies, the manufacturers of rolling stock, railway employees, canal employees, and people in Montreal, Lachine, Vaudreuil, Soulanges and Cornwall, before making statements on the popularity of the seaway. I am not saying that the seaway should not have been built, but this is a far cry from saying it is popular. Perhaps it is popular with the shipping companies and a few others, but I would point out that one of its drawbacks, one of the main obnoxious features lies in the fact that railway companies stand to lose plenty because of it.

The cost of railway operations in that area is bound to go up. That is partly the reason why the railways, both the C.N.R. and the C.P.R., are planning to hike their passenger rates 17 to 37 per cent. Recently, under pressures from every municipality in the district from Montreal to Rigaud, the board of transport commissioners held hearings in Montreal and all the parties concerned were able to express their views.

If those increases are authorized, several of those municipalities will be quite seriously affected. The municipalities of Pointe Claire, Ste. Anne de Bellevue, Dorion, Comeau, Hudson and Rigaud, especially the last four, many of whose people commute by rail to their jobs in Montreal, will find their future development greatly jeopardized unless other steps are taken to make it less expensive for those people to travel to and from work.

If it were proven that the railway companies are operating their commuter service at a loss, I would support any measure designed to maintain the present level of rates.

Since large amounts of money were spent for research on war equipment which proved unnecessary, manufacturers of rolling stock could also be subsidized, but for much more human and permanent reasons.

Practically all our passenger cars and diesel locomotives are of entirely American design. I feel it would be in everyone's interest if certain research was undertaken to produce passenger cars of purely Canadian design which would be much more economical and, at the same time, more comfortable for commuters.

Mr. Chairman, I should like to call the attention of the house to some of the arguments put forward by the municipalities in their submission to the board of transport commissioners, in an effort to avoid an increase in commuter rates.

Unquestionably one of the most interesting resolutions was the one prepared by the municipality of Ile Perrot, part of which reads as follows:

Whereas, since the last rate increase, the service has been cut down instead of being improved,

Whereas a rate increase can only be an economic burden for the present users of the regular service;

Whereas, on economic grounds too, the rate increase will fail of its purpose by cutting down the number of train users.

Whereas any increase is likely to jeopardize the demographic expansion of our region;

Whereas the municipalities' power of taxation over railways is limited;

Whereas the service to employees has been curtailed and that, in the interest of commuters, the service should be improved, and no existing train should be changed or eliminated;

Resolved—

Mr. Chairman, those are some of the reasons set forth by the municipality of Ile Perrot.

As for the municipality of Rigaud, the reasons given are as follows:

(Text):

Since 1945 the commuter rates have increased to the point where if the proposed revision is granted the cost per trip from Hudson to Montreal will have increased by approximately 400 per cent from the rate in effect in 1945. This means the virtual elimination of commuter rates.

The financial gain to the railroads from this rate increase will have an infinitesimal effect on their total revenues consequently one can only assume that by this action they are attempting to avoid their obligations as a public utility. Is it too much to expect that they have a responsibility to the public as well as to their share holders, etc.

(Translation):

Now, Mr. Chairman, here are other reasons put forward by the municipality of Hudson:

(Text):

The Canadian Pacific Railway intends to impose a 34 per cent increase in rates on Hudson commuters. This follows a recent 100 per cent increase. The following points might be considered:

1. That the above rate increases are abnormally high over a relatively short period.
2. That it is doubtful logic to isolate one minute phase of a public utility's operations.
3. That commuters out of Montreal seem to be merely pawns in a game involving freight rates and western farmers.
4. That there are many obvious economies that the Canadian Pacific Railway could effect in their operations.

(Translation):

Those, Mr. Chairman, are the reasons put forward by the municipalities in urging the railway companies to reconsider their intention of raising commuter rates.

If I refer to this matter after speaking about the St. Lawrence seaway, it is because the seaway might well be a big asset for the country as a whole, but to the prejudice of a section of the population, and not the least important one in the country.

(Text):

Mr. Chevrier: Mr. Chairman, I rise on a question of privilege. The hon. member during the course of his remarks, complaining about the questions I posed and the attitude I took concerning the case of the hon. member for Peel, left the impression that my position was more vulnerable than that of the hon. member for Peel because of the fact that the firm with which I was associated in the city of Montreal was acting on behalf of certain claimants who had claims against the St. Lawrence seaway authority.

I want to say here and now that I am not in the legal sense a partner in the firm of Geoffrion and Prud'homme in the city of Montreal. I have a working arrangement with this firm and I have an office in the firm. The claim was made by the hon. gentleman that the firm of Geoffrion and Prud'homme acted for Miron and Manibeque. I believe that to be the case, but this case was in the hands of the firm of Geoffrion and Prud'homme long before I had any association with the firm.

(Translation):

Mr. Bourbonnais: Mr. Chairman, according to the Parliamentary Guide—

(Text):

The Acting Chairman (Mr. McCleave): Is the hon. member rising on a question of privilege?

Mr. Bourbonnais: Yes, Mr. Chairman.

(Translation):

It is stated in the Canadian Parliamentary Guide that the hon. member for Laurier (Mr. Chevrier) is a member of the legal firm Geoffrion and Prud'homme. I got my information from the Parliamentary Guide and if the hon. member for Laurier says that he has an office next to that of Messrs. Geoffrion and Prud'homme, well, he is their legal advisor. That is his privilege, but let him not talk about professional ethics.

(Text):

Some hon. Members: Oh, oh.

Mr. Chevrier: Mr. Chairman, I did not say I had an office alongside of the firm office. I said I was not a partner in the legal sense of the word, that I did not participate in the profits of the firm, that I had a working arrangement such as many lawyers have in larger cities, and that the hon. member should accept my word because I make this statement now on my responsibility and on my honour as a member of parliament. I add further that I have no interest in the claim which Geoffrion and Prud'homme have on behalf of Miron and Manibeque, which they had long before I had any working arrangement with the firm.

Mr. Regnier: Mr. Chairman, I wish to make a few brief remarks. I want first of all to thank the minister for his courtesy and prompt action whenever I have made a demand on behalf of the constituents of St. Boniface. In my constituency is located the progressive town of Transcoma. There are Canadian

National Railways shops situated in this most important industrial town in the area which employ hundreds of people from Transcoma. I should like to thank the minister for his assistance in maintaining a high level of employment in Transcoma so far; but at the present time there seems to be a fear that lay-offs may take place soon. I should like to bring this to the attention of the minister. Anything he can do with the Canadian National Railways to avoid this lay-off will be greatly appreciated.

In the city of St. Boniface work was started last fall in connection with the Symington yards. This work will require the expenditure of many millions of dollars and will employ hundreds of people from the city of St. Boniface. The people of St. Boniface are interested in the improvements which are being made at the present time to the Winnipeg airport; I believe the expenditure there will amount to over $10 million.

Yesterday I listened with a great deal of attention and interest to the remarks of the hon. member for Winnipeg North Centre in connection with the disembarking privileges of the S.A.S. or Scandinavian Airlines. I remember an incident which happened about two years ago. A passenger had booked passage from Sweden to Winnipeg. He got off the plane when it stopped for refueling at Winnipeg and as Winnipeg was his destination he attempted to remain there, but he was arrested by the St. James police and forcibly put back on the plane. I believe this was an infringement of human freedom and rights.

I understand, of course, the explanation the minister gave yesterday that Scandinavian Airlines cannot disembark passengers in Winnipeg because no application has been made for such privileges by the Swedish government. It is a matter of negotiation between the governments concerned. However, if the Swedish government does not initiate negotiations I believe the Canadian government should do so, because after all this is something of great importance to the Canadian people living in Winnipeg, St. Boniface and in the province of Manitoba as a whole.

In the city of Winnipeg we have no direct communication with any large centre. We have to book passage from Winnipeg to Toronto or Montreal and then land at some place in Europe where we do not intend to go. Since there are the facilities of Canadian air lines right in Winnipeg, I believe Canada should take the initiative to provide the same privileges to the citizens of Winnipeg that are accorded to the citizens of Toronto and Montreal, where they have planes going direct to Europe.

Mr. Pickersgill: Will the hon. member permit a question with reference to the incident to which he referred? He said he thought it was an infringement of human rights. Does the hon. member not think it was also a breach of the Canadian Citizenship Act to put a Canadian citizen, who always has the right to come into Canada, on a plane and take him out of the country?

Mr. Regnier: Mr. Chairman, that may be so. I know it seems unreasonable. I do not care under what heading the breach is made, but there was much indignation in Winnipeg at that time and it is time such things were corrected. The minister gave us a full explanation yesterday, but I would appreciate a further explanation.

Mr. Hees: I would like to explain to the hon. member that there is direct service from Winnipeg to London. For quite some time T.C.A. has had direct service from Winnipeg to London. You do not have to go to Toronto or Montreal; you can fly direct.

Mr. Regnier: I thank the minister for his explanation. I am glad to know that I was wrong in part, but my submission is that if you desire to go direct to Stockholm I do not see any reason why landing privileges and the embarkation of passengers and even the unloading of cargo should not be permitted in Winnipeg. After all, this is a matter of making trade for Winnipeg. It is of great importance to the city of Winnipeg to have direct air service with the world. I think it would bring great credit to Canada if we were to stop thinking all the time of the almighty dollar and saying, we want to prevent competition. I believe we should take the initiative with the Scandinavians if Sweden is not going to do so. Thank you.

Mr. Brassard (Lapointe): At the very beginning of my remarks I should like to offer my congratulations to the minister on the way he handles the administration of his department. I know he has taken a few lessons in French. I am now going to proceed with my remarks in that language, and I hope to hear from him when I am through with my brief remarks.

Mr. Pickersgill: In the same language.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I should like to say a few words about two matters concerning not only my constituency, but also the Saguenay-Lake St. John area in general.

First, I should like to say a word about the rebuilding of the railway line serving the four constituencies from both Montreal and Quebec.

We have listened with great attention—and when I say "we", it is not the plural of majesty but the "we" of plurality—we listened, as I say, with great attention, to the hon. member for Roberval (Mr. Tremblay) recalling the promises made by Liberal members or candidates during election campaigns.

I believe everyone back home wants and has always wanted the Montreal-Chicoutimi and Quebec-Chicoutimi railway line rebuilt. Everyone talked about it during the election campaigns.

The former member for Roberval, Mr. Villeneuve, brought up the matter in this house. Mr. Gagnon—and I shall not show the same bias as was shown by other members—who is a former independent member from Chicoutimi, also dealt with the matter of rebuilding the railroad between Chicoutimi and Montreal. My predecessor in this house, who was also an independent, called for the rebuilding of this railroad. Mr. Andre Gauthier, the former member for Lake St. John, also made the same request. Mr. Spence, a former Conservative member for the Roberval constituency—I think the hon. member for Roberval might at least have mentioned the work done in this field by one of his predecessors—Mr. Spence, as I say, also urged the rebuilding of the Montreal-Chicoutimi line.

As regards the rebuilding of this particular railway line, Mr. Chairman, there is a point I wish to mention to the hon. Minister of Transport. The automobile dealers association, which extends to the four ridings in my area, has been trying since 1955 to get preferential rates for the transportation of automobiles from Oshawa or Windsor, Ontario, to Chicoutimi, Jonquiere and other parts of the four constituencies of the district. Talks were then held between representatives of the Canadian National Railways—whose names I do not think I should give here—anyway between authorized representatives of the Canadian National Railways and the association. Unfortunately they ended in a stalemate with the result that the contract for the transportation of some 2,000 cars from Windsor or Oshawa, Ontario, to the Lake St. John-Saguenay area was given to a competitor of the Canadian National Railways, which means that our national railway must have lost about $340,000 on this item alone since 1955.

That question was thoroughly gone into by Canadian National Railways officials, and I should say that they must have done their best to try to reach an agreement; nevertheless, the Canadian National Railways have been losing about $340,000 a year since 1955.

It seems to me that the Minister of Transport or his officials could try to bring that question again to the attention of the Canadian National Railways authorities, in an effort to find a solution to that problem. Since 1955, the Canadian National Railways have lost more than $1 million in freight revenue in our region.

Preferential tariffs exist for some other parts of the country and I wonder why it would not be possible to have in our region what is called an "agreed charge" or a preferential tariff.

Mr. Chairman, I would also like to say a few words about the civil airport or the absence of a civil airport in the constituencies of Chicoutimi and Lapointe.

There is an RCAF airport there where aircraft of presidents of companies or individuals are not allowed to land or take off. I submitted the matter to the minister, to his able officials, and I know that it is under study.

If the Department of Transport are still interested in the developments of civil aviation, as they used to be at one time, I wonder if they could not hasten the day when it will be possible to build a civilian airport—I am no fanatic—not necessarily within my riding, but within the boundaries of Jonquiere-Chicoutimi, where a civilian airport is urgently needed. If they should build it in my riding, of course, I would not complain. However, I realize that a lot of money has been invested in St. Honore, and I have a feeling there would be no complaints should the department choose to put in a civilian airport in St. Honore, in the riding of Chicoutimi. I am sure that the people in my riding would understand that, for the sake of economy, it was necessary to build the civilian airport in Chicoutimi riding.

Should the airport be erected in that part, in my opinion it would still promote civil aviation development in the whole area. Moreover, since early May in 1959, a company has been granted a permit for what is called a flying school. It no doubt will use the facilities of St. Honore airport. But the time has come for the department to send out inspectors who shall then report to the minister for him to take decisions. I know that the minister is a man of energy and capable of quick decisions. We have had some proofs of it before and I wish he would give us others.

I have listened to the hon. member for Roberval speaking of the former minister of transport, the hon. member for Laurier (Mr. Chevrier) and mention his attitude concerning the building of the St. Felicien-Chibougamau railway. There is practically no abuse which he has not used against the hon. member for Laurier. I was not in the Department of Transport when it was headed by the member for Laurier, but I know, for one thing, that the construction of the Beattyville-Chibougamau-St. Felicien Railway was decided by a Liberal administration. I also know that it was under a Liberal administration, that is under my former chief, Mr. Marler, that the decision was taken to construct the second part of the St. Felicien-Chibougamau railway. Let me repeat, I am no fanatic like a few other members whose fanaticism in certain cases is equalled only by the high opinion they have of themselves. Fortunately that does not apply to all members. However I should like to remind my hon. friend for Roberval that Mr. Gagnon was not the only one who was interested in the construction of the Chibougamau-St. Felicien Railway.

(Text):

The Acting Chairman (Mr. McCleave): Order. The hon. member for Laurier did answer the points which the hon. member who has now taken his seat seems to be bringing before the committee again. I think there was a satisfactory solution to the problem when it arose at that time, and I would ask the hon. member to keep away from that particular subject when he resumes his remarks.

Mr. Chevrier: Mr. Chairman, would you allow me to express an opinion on the words you have just spoken? I did not reply to the hon. member for Roberval; I asked questions, to which replies were made. I did not have the opportunity of replying, and I do not think it can be considered that questions are in the nature of a reply. I would ask the Chairman if he would not allow the hon. member to continue.

The Acting Chairman (Mr. McCleave): The Chair does acknowledge itself in error. I misunderstood which member the hon. member who has just taken his seat was referring to. I confused him with another speaker.

(Translation):

Mr. Brassard (Lapointe): I remember also, Mr. Chairman, that my predecessor, Mr. Girard, had called for the construction of the railway between St. Felicien and Chibougamau. Mr. Andre Gauthier, Mr. Georges Villeneuve and Mr. Spence have already mentioned it. But, one thing I know is that Messrs. Gauthier and Villeneuve came to see Mr. Marler, I don't know how many times, to ask him to come to a decision regarding the construction of the railway between St. Felicien and Chibougamau. They even had appointments,—how many, I don't know,—with the former minister of transport to point out to him that a railway should be constructed between St. Felicien and Chibougamau. There is in this house, Mr. Chairman—

Mr. Tremblay: On a point of order. What I should like to ask, Mr. Chairman, is really—

(Text):

Mr. Brassard (Lapointe): Is it a question or a point of order?

(Translation):

Mr. Tremblay: I should like to ask in this house—

(Text):

Mr. Brassard (Lapointe): Is it a point of order?

Some hon. Members: Order! Order!

(Translation):

Mr. Tremblay: On a point of order. Mr. Chairman, I never said in this house that those who discussed—

(Text):

The Acting Chairman (Mr. McCleave): Order. Members are now offending against the Chair's ruling. We are dealing in committee with the general administration of the Department of Transport and I would ask that hon. members taking part in the debate confine their remarks to departmental administration and not speak as they have been doing in the last few minutes.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, when the committee took recess at one o'clock, I had been speaking about the construction of the railway between St. Felicien and Chibougamau. I should like to say a few words now about the construction of a civilian airport at Roberval.

I remember very well that, when I was with the Department of Transport, the mayor of Roberval at that time, Dr. Plante, had

approached the minister to obtain additional grants for the Roberval airport. I have here, Mr. Chairman, the amounts paid on a proportional basis between the city of Roberval and the department. In 1955-1956, the department paid $25,000; in 1956-57, the department paid $20,000, while in 1956 and 1957, a sum of $4,600 was allotted to the airport. Thus, an amount close to $50,000 was paid under the former administration. In 1957-58, to give the full statistical data, the department paid or promised to pay $65,000. I think it is quite fair to submit that the former Liberal administration did its full duty, as was right, for the construction of the airport at Roberval. The same remark holds good, of course, for the Alma airport.

Mr. Chairman, before resuming my seat, I should like to refer to the most unseemly remarks concerning the hon. member for Laurier, which were made by the hon. member for Roberval and by the hon. member for Vaudreuil-Soulanges (Mr. Bourbonnais). Almost nothing was left unsaid to besmirch his good name. If all members had the sterling qualities of the hon. member for Laurier, I believe there would not be cause for complaining about the way the affairs of this country are managed.

The hon. member for Laurier was minister of transport for nine years and president of the St. Lawrence seaway authority for close to three years. He devoted every minute of his time to those two great organizations of this country. If there be in this house a member who can boast of his record, I believe it is surely the hon. member for Laurier. But there will always be individuals bent on petty politics and in some cases on tearing down their fellow citizens.

Mr. Bourget: They will never be able to do it.

Mr. Brassard (Lapointe): I am not ashamed to say I would like to have the merits of the hon. member for Laurier, and I am sure that if the hon. member for Roberval had them he would be occupying some other seat in this house.

An attempt was made to refer to a report published by *le Devoir* that the hon. member for Laurier is against Quebec, but I would suggest to the hon. member for Roberval that he read *le Devoir* for October 23, 1956. He will find there an article which will prove very interesting for him, with regard to his party and certain of its leaders.

Mr. Chairman, I will conclude my remarks by saying that I support the suggestion made by the hon. member for Port Arthur (Mr. Fisher) concerning the personnel of the Department of Transport.

The Department of Transport is one whose activities are related to so many economic sectors of our country that it is important for the minister to have at his service the people required to carry the heavy load of work which must be done every year. It was my great privilege and opportunity to work there for almost three years, and I know most of the chiefs of the divisions of that department as well as the deputy minister. It is a very great satisfaction for me to commend them and to say, even if some members do not like it, that the employees and the officials of the Department of Transport are doing an almost super-human job. I hope that the Prime Minister (Mr. Diefenbaker) and the Minister of Transport (Mr. Hees) will see to it that more help is given to the deputy minister and to the chiefs of divisions who sacrifice themselves continuously.

I hope also that the Minister of Transport will do me the favour of saying a few words on the civil airport at St. Honore when the opportunity arises.

(Text):

Mr. Hees: Yes, Mr. Chairman; I should like to answer the hon. member's question about airports. I recognize the problem in the Chibougamau area in regard to airport requirements. The needs of the R.C.A.F. at Bagotville are such that they have been unable to open their military airport at that place to all types of civil traffic.

We have reviewed the general area from the point of view of other locations for a field, and have the matter under continuing study. However, the type of requirement that is involved is not for an airport to handle scheduled airline traffic but rather to handle local and itinerant scheduled and private aircraft. Airports in this category under present government policy are normally established on a cost-sharing basis, and it is therefore important that some municipality or group of municipalities be found which would be willing to assume responsibility for the local part of any cost-sharing project.

Now, Mr. Chairman, while I am on my feet I should like to answer two questions that were put to me by the hon. member for Port Arthur. First of all, on the matter of the road west from the lakehead, this is obviously the responsibility of the appropriate municipal and provincial authorities who are, I feel, quite competent to deal with it. I have not, therefore, presumed to intervene in this regard.

He also asked me a question as follows: "Can one have a car telephone if not a British subject?" The answer is yes, under three conditions (a) if a landed immigrant, who has not been a landed immigrant for more than six years and is employed by a

British subject who is the licensee of the radio station; (b) if a United States citizen licensed in the United States for an amateur radiotelephone, in which case he may operate an amateur radiotelephone in his car in Canada; (c) if the vehicle is employed in the operation or maintenance of a pipe line or other industrial facility extending across the border of Canada and the United States, or if the vehicle is engaged in the public carriage of persons or goods between Canada and the United States, and if the person is duly authorized by the minister or the government of the United States and the radiotelephone is used for communication with stations of either country that are licensed to be operated in the same type of service.

Another question was what is being done to simplify the radio regulations. The answer is that new radio regulations were promulgated on April 1, 1958 and are continuously under review with simplification being a prime objective.

(Translation):

Mr. Eudes: Mr. Chairman, may I be allowed on this item to point out through you to the Minister of Transport a matter which was raised last year at the same time by my colleague the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets).

At first sight the matter seems to be of a local nature, since it affects particularly the people of Hochelaga and Maisonneuve-Rosemont counties.

On second thought however, if one takes time to consider the relations existing between the general and local interests, a question of principle is involved that cannot be evaded or made light of.

I am referring to the railroad tracks which run from Moreau street, cut through Hochelaga, Maisonneauve-Rosemont and Mercier counties, along the St. Lawrence river, and toward the north-east of Montreal island right up to the end of the island. Built in 1913 by the Canadian Northern Quebec Railways Company, those tracks have since then been taken over by the Canadian National Railways.

Although, unquestionably they have considerably hindered the commercial expansion and housing development in Hochelaga and Maisonneuve-Rosemont counties, those railway tracks were for some years very useful and even essential. For instance, three passenger trains, including one that went as far as Chicoutimi, used those tracks daily in both directions. The tracks were also used by many east or westbound freight trains on the north shore of the St. Lawrence river.

That was in another era. In 1913, the section of the Montreal island crossed by those tracks in Hochelaga and Maisonneuve counties, was almost entirely comprised in the town of Maisonneuve which has since been annexed to the city of Montreal.

At the time, that section of the island had a population of a few thousand.

Those tracks were then running across vacant lots, intersected by a few sparsely built streets.

Today the population there is well above 200,000.

If we consider this population on the basis of the area it occupies, we surely arrive at one of the highest ratios of population density in Canada.

This increase in population, and the general progress, have wrought a complete change in the make-up and the topography of this Montreal area.

Since the central station was built, the Moreau station was torn down. High-level railways were built in the north-western district on Montreal island. New streets were opened up. Numerous public buildings and thousands of new housing units were erected.

Passenger trains which used to stop at the Moreau station come now to the central station.

Except in rare cases, freight trains are now using these new high-level railways which were built further north on Montreal island.

However, these tracks are still there to serve, between Moreau and Viau streets, less than a score of rather averaged-sized plants, about eight of which are located in the Hochelaga riding. They are also used daily to carry a tank car train from the oil refineries in eastern Montreal. Near Moreau street, in Hochelaga, those cars transfer from C.N.R. to C.P.R. tracks.

Such today, on the basis of their necessity fifteen years ago, is the relatively negligible purpose served by those railroad tracks.

Besides, this "usefulness" factor is of very minor importance.

Indeed, the presence of those tracks gives rise to a problem which involves a much more important factor, the human factor. The mere study of the route followed by those rail tracks immediately reveals the implication of the human factor.

Starting in the neighbourhood of Moreau street, the tracks run eastward, along a line following Lafontaine street, across Ontario street and then along Rouen street.

Between Moreau and Viau streets, they cross more than 25 streets, which means that many level crossings.

Those 25 streets are situated on the island of Montreal, where the residential population attains one of the highest percentages of density.

From Notre Dame street, which runs along the busy commercial wharves of eastern Montreal, those streets are used not only by the local population but also for the daily transport of thousands of motor vehicles from all parts of the metropolitan area.

I am thinking more particularly of Pius IX boulevard, one of the most congested arteries of Montreal which crosses the entire island of Montreal between Pius IX wharf and the Prairie river bridge.

I also have in mind Ontario street, which is crossed by those tracks at the Valois intersection.

Ontario street is one of the largest commercial thoroughfares of Montreal. From both sides, and particularly in the ridings of Hochelaga and Maisonneuve-Rosemont, Ontario street is bordered by shops representing invested capital of several million dollars. Public transportation buses constantly use that thoroughfare, with their large loads of passengers travelling to or from the centre of the metropolis or other large thoroughfares that cross the city.

On Ontario street, as on Pius the IX boulevard, and all other streets crossed by railway tracks, the traffic and movement of the population are particularly intense in the early morning and in the late afternoon.

At those hours workers and school children are travelling to or from work or school.

Let me point out that, between Moreau and Viau streets, some twenty schools and convents, about ten churches and eleven playgrounds are situated in the vicinity of the tracks.

Therefore, several times a day, thousands of citizens, walking or riding, have to cross the tracks either to go to some of those public buildings or to reach main perpendicular streets or thoroughfares such as St. Catherine, Adam, Lafontaine and Ontario.

Now it is generally during that period of the day when that heavy traffic of people and motor vehicles is at its peak that this train of tankers or other freight trains, happen to block one after the other, all streets between Viau and Moreau.

[Mr. Eudes.]

Ensuing delays and inconveniences can readily be realized.

That undesirable situation reaches its peak in the neighbourhood of Moreau street, where shunting of cars takes place between our two big railway companies.

Over an area which frequently covers six or seven streets eastward from Moreau street, the coming and going of those cars paralyse the traffic for periods of as much as half an hour at times, in flagrant and repeated violation of article 314, chapter 234 of the Railway Act, which limits such obstruction periods to five minutes.

At the corner of Prefontaine street, I personally have seen fire department vehicles immobilized at the crossings and having to wait there for more than fifteen minutes on account of that shunting of cars.

When that violation was later brought to the attention of the C.N.R. authorities, a member of the legal department of that company replied, very seriously, that in such circumstances, the vehicles had only to use some other street. As if it were possible to have those huge trucks back up and turn around in narrow streets, crowded over a distance of 100 feet with other vehicles that cannot move for the same reason!

It seems to me hardly necessary to describe the serious inconveniences as well as the numerous and grave prejudices which those railway crossings cause to the 200,000 persons who live in the constituencies of Hochelaga and Maisonneuve-Rosemont.

Those twenty-five railway crossings, or thereabouts, present a constant danger, especially to the thousands of children who live nearby or who, of necessity, have to cross them. For reasons of economy, I presume, the traditional gate guards have given way to signal lights which constitute a very weak means of defence against the mortal dangers that can be caused by the passage of a train across a densely populated street.

Finally, from the aesthetic point of view, those tracks are a disgrace which should no longer be countenanced in an era when town planning strives and manages, even in industrial areas, to introduce constructions and arrangements pleasing to the eye. The very presence of the tracks is, no doubt to a large extent, the reason for the considerable delay in developing that part of Montreal east, as compared to the west end of the metropolis.

Since 1951 the association of businessmen of eastern Montreal has repeatedly and urgently requested that those tracks be left unused, or removed. Practical and positive solutions were submitted to the authorities concerned, by that association. From Viau

street the westbound tank-cars could use the national harbours board trackage. Car shunting could then be made without obstructing traffic.

It must also be pointed out that the few plants served by the branch line extending from Viau street to Moreau street use their privilege only from time to time.

They might more easily, and probably at a saving, receive or ship their goods through other means, for instance by trucks travelling between those plants and the railway lines along the Montreal waterfront.

The C.N.R. legal division, taking a practical down-to-earth point of view, has replied to the association of businessmen of eastern Montreal that its recommendations and suggestions could not be considered.

Of course, the suggested relocation of these tracks would involve some expense for the railways but this would be of a very minor character, and the loss of revenue would be negligible.

That is precisely the problem. Must we allow a railroad company and perhaps 20 industrial firms to go on enjoying privileges which are neither essential nor necessary, to the detriment of the rights of over 200,000 people who pay exactly the same taxes as their fellow citizens who do not have to put up with the many serious problems arising from the presence and use of these tracks.

I should be grateful to the Minister of Transport if he would kindly look into this problem and get in touch with the C.N.R. authorities in order that the decision taken in this regard be seriously reconsidered, in the light of the broad principle as to whether individual interest should take precedence over public welfare.

Mr. Brassard (Chicoutimi): I do not want to delay the adoption of the estimates of the Department of Transport. I just want to say a few words to support the hon. members for Roberval (Mr. Tremblay) and for Lapointe (Mr. Brassard) who, like so many others who have sat before us in this house, and like many public organizations, have pressed for the rebuilding of the Chicoutimi-Quebec Montreal railway line.

I notice particularly that the hon. member for Laurier (Mr. Chevrier) now supports those requests. With the zeal of a convert and his experience, I have no doubt that he will help us obtain the rebuilding of that railroad which, incidentally, like other railroads and canals in Canada, is essential to any region, and in particular, to a region like mine which has many natural resources, a large mining centre and a surplus of population which requires new industries to prevent unemployment.

Mr. Chairman, the hon. member for Lapointe has requested a civil airport, and the Minister of Transport (Mr. Hees) has made a statement about it. But I want to point out to the house that the civil airport of Chicoutimi is already built. It was built during the last war at a cost of several million dollars and, for the information of the hon. member for Bonavista-Twillingate (Mr. Pickersgill), who seems to be jealous of the profits that people can make on government properties, let us say that that land was sold by the former administration at a price of $22,000 and that the man who bought it made a net profit of more than $172,000 by reselling the hangars alone which were on the land. Yet, the airport still exists, and its runways are like new.

Besides, may I point out to the house that the airport is used by light aircraft despite the absence of any protective system, of any aid to navigation, and only last Sunday, I saw aircraft and motorcars playing hide and seek on the runways. Therefore, I ask the Minister of Transport to send some protection officers there so that they may put an end to this situation before anything too serious happens.

A last word concerning Chicoutimi harbour. Now that the St. Lawrence seaway is completed, this harbour is not equipped to handle deep draught ships. The channel should be given a depth of 27 feet so that ships plying the seaway could go up the Saguenay to Chicoutimi. It would be enough to deepen the channel over a very short distance to allow the port of Chicoutimi to operate in the black, to the advantage of the nation as a whole.

(Text):

Mr. Pearson: Mr. Chairman, I would like to return to one question which has already been considered by the committee but on which we would like some further information, and that is the question of the expropriations at Malton airport. The minister did give some information yesterday and some papers have been tabled, but there are

still some details which we would like him to supply and to which we think we are entitled. We pursue this matter on this side not in any cloak and dagger atmosphere but entirely to secure information on the passing of the minister's estimates, and I think it is our duty to try to get that information on a matter which has certainly caused a great deal of concern on this side of the house.

This particular expropriation about which I am talking, as the members of the committee know, went before the exchequer court. There was a petition in which the suppliant in this particular case sought to recover a sum of money, being the amount of a valuation made by an evaluator, on the ground—and I am now quoting from the judgment of the exchequer court—

—that there was an agreement between Her Majesty acting through the Minister of Transport as herself with Mr. Clare—

—who was the valuator—

—to appraise the property and that both parties should be bound by the amount of his valuation.

Yesterday the minister said there was no such agreement. That was a categorical and definite statement on his part. But, Mr. Chairman, there have been equally categorical statements made on this particular aspect of the matter by the hon. member for Peel to the effect that there was such an agreement. I now quote from the judgment again, page 7, one sentence which reads:

When Mr. Pallett was asked what line had been indicated to him in the discussion, his answer was "Whatever valuations were made by the independent valuator would be accepted by the Department of Transport."

Therefore, Mr. Chairman, so far as the member for the riding is concerned, he was equally categorical in his statement that there was such an agreement. In confirmation of that I can quote again from the record of the judgment, page 10 of my copy, the following sentences:

There was of course he said the conflicting evidence of what took place in the minister's office on September 14, 1957. Mr. Pallett asserted that the minister had accepted his proposal that there should be a valuation by an appraiser approved by the department and acceptable to the owners and that both the owners and the minister acting for Her Majesty should be bound by such valuations.

It is understandable that we should be in a state of some confusion as to what actually happened. It is unfortunate that the hon. member for Peel, no doubt for very good reasons, cannot be in his seat this afternoon to give us his version of what actually happened and his interpretation of these remarks I have just quoted, which indicate that certainly in his mind there was no doubt as to whether there was or was not an agreement, an agreement which, as was indicated later in correspondence by an officer of the minister's department, would have been of doubtful legal validity under the Expropriation Act and which would have established a most undesirable precedent as we could well understand.

Following this matter up I should like to ask the minister a few more questions. Perhaps he will let me place all my questions on record before he rises to answer, or if he prefers another procedure I will be glad to follow any that he wishes to adopt. If he wishes to answer my questions as we go along I would naturally be agreeable to following that procedure.

My first question on this matter is, how many qualified persons evaluated this particular property—the Drew property, which was a test case for ten others, I believe—before the minister decided to appoint an independent valuator? Would he give us the details of the valuations before the independent appraiser was appointed?

The second question is, were these earlier valuations by the departmental officials and the persons appointed by the department considered satisfactory by the department? According to the judgment the assistant deputy minister of the department did consider them satisfactory.

Mr. Hees: Mr. Chairman, as there are a number of questions perhaps I could answer as we go along. In the first place I am advised there were approximately half a dozen valuations done. The exact valuations, of course, I do not have here. I will be very glad to give them to the Leader of the Opposition, but he will quite understand that I do not have them in my head and we do not have them at the table at this time. The answer to the second question is yes.

Mr. Pearson: My third question is this.

Mr. Diefenbaker: Would the hon. gentleman permit a question?

Mr. Pearson: Surely.

Mr. Diefenbaker: Where in the judgment does it say that the earlier valuations were considered proper? I am attempting to follow the hon. gentleman's address.

Mr. Pearson: If the Prime Minister would look at the bottom of page 5 of the judgment he will find it. There may be another reference to it, but certainly there is one at the bottom of page 5. Mr. Booth, who I think is the assistant deputy minister of the department—

Mr. Hees: Yes.

Mr. Pearson: —pointed out that the department was satisfied with the valuations that

had been made and that they were valid. If the Prime Minister would like me to read the rest of that sentence I would be glad to read it.

Mr. Diefenbaker: Yes.

Mr. Pearson: The minister has now said there were six valuations made.

Mr. Hees: I said approximately six.

Mr. Pearson: Yes, approximately. My next question is, is it not a fact that the hon. member for Peel, though approximately six valuations had been made, did request a further and what is referred to as an independent valuation because these previous valuations, presumably all six of them, had been too low? My next question is, did the hon. member for Peel recommend to the minister—

Mr. Hees: Mr. Chairman, perhaps I could answer the hon. gentleman's previous question before he proceeds. Yes, the hon. member did request that another valuation be made. There is nothing out of the way in that he should, because as the member of parliament representing these constituents he was absolutely convinced—I know, because I talked this over with him on many occasions —that these valuations were too low and were unfair, and his whole purpose in seeing me and pursuing this matter was to get for his constituents what he considered a fair deal. He was never at any time requesting any more than fair and equitable treatment for them.

There was nothing out of the way in the course of conduct of the hon. member, as the Leader of the Opposition is trying to imply. Even though there had been five or six valuations before, there was nothing out of the way in his requesting that a further valuation be made, because he is a very conscientious member of parliament and was striving only to see that his constituents got a fair deal.

I am beginning to understand, Mr. Chairman, why this witch hunt is proceeding. I found it very difficult yesterday to understand it but now I know, having thought it over during the evening. It is simply this. Hon. members opposite in the Leader of the Opposition's party find it very difficult to understand how a conscientious member of parliament operates. Members of the party to which he belongs are not interested in doing a thorough, conscientious job for the little, ordinary people in their ridings, people who need help, the small people who are very often pushed around by bureaucrats.

The hon. member for Peel believed that during the previous three years, 1954, 1955 and 1956, before we came into office—and he saw me about it immediately after we did assume office—the people had been pushed around. Rightly or wrongly, he was convinced that they had been and they, too, were so convinced. As a conscientious member of parliament he came to see me and said, "I am convinced that these people are not getting a square deal; these valuations are too low, and I would like a further independent valuation to see what it comes out at". I replied that I considered this a reasonable request and said we would have an independent valuation, and that is the reason we had it.

The Leader of the Opposition appears to find it extremely difficult to understand why a conscientious member of parliament would go to work like that for his constituents. Members of the Liberal party seem to feel that if someone in the capacity of the hon. member for Peel, the capacity of a member of parliament, does try and obtain a square deal for his constituents, in some way he is getting a kick-back or some kind of nefarious reward. That is the whole implication of what the Leader of the Opposition and those associated with him have been saying.

Mr. Pearson: Mr. Chairman, that is a false and a base inference the minister has made from any statement I have made on this matter in the house, and I ask him to withdraw it. I never suggested that the hon. member or anybody else was getting a kick-back.

Mr. Hees: I did not say you had suggested it. No one over there has had—shall we call it the courage?—to come out and lay a charge. It has all been innuendo, it has all been underhand and it has all been sneering. Hon. gentlemen opposite have risen and in an obsequious way have prefaced their remarks with statements like, "I should like to ask a few questions, Mr. Chairman", or "I do not wish to take up the time of the committee but there are questions to which we must get answers", or "We must see that our money is properly spent." Of course, you must see that money is properly spent, but in this case you are implying by everything you do and say—and this applies to all other hon. gentlemen who have taken part in this discussion or raised questions—that there is something wrong, crooked, nefarious or sinister about the actions of the hon. member for Peel.

From my personal dealings with the hon. member I am prepared to say without hesitation that all the time he was working 100 per cent for the good of the people of his constituency. It may seem strange to the Leader of the Opposition to learn that members of this party have always been dedicated

to the principle of doing a good job for the ordinary little people in their ridings, the constituents they represent.

I want to tell my hon. friend this. The very fact that he and those in his party have difficulty understanding the conscientious efforts of the hon. member for Peel emphasizes what is one of the main reasons why we are sitting here and the Leader of the Opposition and his supporters are sitting on the other side of the chamber. The reason is that the Liberal party forgot the little people of this country. That is why the Leader of the Opposition and his party are going to sit on that side of the chamber for quite a while, until they move a little farther down the chamber and sit to the immediate right of where they now are; and the next thing we know the Leader of the Opposition will be rising in his place to speak for his party and will preface his speeches with the words, "Mr. Speaker, on behalf of this group I should like to say."

Mr. Pearson: Mr. Chairman, the minister has obviously been thinking over the matter and the result of his thoughts has been that brilliant, impassioned political speech he has made which has elevated this subject to a higher plane, in his estimation. Now, the minister said we did not have the courage—he said a lot of other things which have nothing to do with the questions I asked him—to pursue this matter in the regular way. I tell him that we have a sense of responsibility over here, and before we decide whether or not to pursue this matter in another way we want to get the facts and give the minister a chance to tell us the facts.

Mr. Hees: And you got all the facts; you got every fact that you asked for.

Mr. Pearson: If the member for Peel were in his seat he probably could add a lot to the facts as well. He has made statements on this matter outside the house; he has said nothing in the house—

Mr. Hees: Who, me?

Mr. Pearson: The member for Peel; when we get the facts, or when we have done our best to get the facts we will make our decision. None of this impassioned eloquence of the minister will have any bearing on that decision.

Mr. Hees: You keep on asking and you will get the answers.

Mr. Pearson: This afternoon the minister has become the champion of the little man who in this situation, the expropriations at Malton, was he said, being pushed around by bureaucrats, the bureaucrats presumably being the officers of his own department.

[Mr. Hees.]

Mr. Hees: I said that is what the hon. member for Peel felt because he had been dealing with your government for three years and getting nowhere.

Mr. Pearson: I stand corrected. The minister said it was the member for Peel who said the little men in his constituency were being pushed around by bureaucrats. The bureaucrats were the officers, the civil servants, of the minister's own department. Does he accept that criticism of them by the member?

Mr. Hees: I will answer that question right here and now. The hon. member for Peel came to me less than a month after we had taken office. He did not know anything about the civil servants in my department. He had dealt only with the government that had been in office for 22 years, and because of its callous attitude toward people such as those he represented he felt that it was about time there was a new deal for the people he represented. I have found since I came to that department that the people who are working under me are absolutely first class in every way, but the hon. member for Peel, a month after we took office, had no way of knowing that and he thought the people working for the government were the same kind of people as the members of the cabinet from whom he had been trying to get some action and had been getting none for three years.

Mr. Pearson: Mr. Chairman, let me pursue these zealous efforts of the member for Peel and the minister to secure a new deal for those little people in the riding of the member for Peel. As the result of their joint actions a test case was taken to the exchequer court. What was the result of that action? Did it give the little people he is talking about the increased valuations they thought they were entitled to? It did not. It confirmed in substance the valuation that had been made by his own officers, whom he now refers to as bureaucrats. The minister can sit down for a second.

Mr. Hees: I was sitting down, but I will stand up and I will say simply this. I am saying that the hon. member for Peel, having dealt with the members of the former government, felt that he was dealing with bureaucrats and he did not know there was any difference between them.

Mr. Pearson: Repetition does not make reputation.

An hon. Member: You guys should know.

Mr. Pearson: Let us see what happened, now that the minister has become so excited about this. In his efforts, with his colleague from Peel, to protect those little people in

Malton and get them what the member thought was a better valuation for their property, which had been evaluated already by six officers of his own department, whose valuation in substance was confirmed later by the Exchequer Court of Canada which showed—

Mr. Hees: May I ask the hon. member a question? Does he think the hon. member for Peel as member of parliament for his constituency, was doing wrong in trying to get the best possible deal for the people he represented? Was there something wrong in that?

Mr. Pearson: Of course not.

Mr. Hees: Well, all right; don't try to imply that there was.

Mr. Pearson: There are ways and means by which these things should be done, and if the minister will give me a chance I will follow through how the hon. member attempted to serve, no doubt to the best of his ability, the interests of his constituency. The minister has not said anything about the statement of the hon. member for Peel that there was an agreement. He said this before the courts, that there was an agreement between him and the minister that the independent valuator's valuation would be binding on the government and on the owners of the property. What has the minister to say about that? He says there was no such agreement, yet the hon. member for Peel in the court proceedings is reported as saying there was. What has the minister to say about that?

Mr. Hees: I said yesterday and I say again that there was no agreement.

Mr. Pickersgill: Then the hon. member for Peel was wrong.

Mr. Pearson: What has the minister to say about the statement of his colleague from Peel who, in an effort to protect his constituents, says there was? What about the statement of the hon. member for Peel?

Mr. Hees: I have no doubt that the hon. member had an idea that there was an agreement. The Leader of the Opposition probably does not realize that people can make mistakes and perhaps misunderstand what one person said or another person said. He obviously was under the impression that an agreement had been made, and I am very definitely of the opinion that there was not an agreement made, and that is the case as it stands.

Mr. Pearson: It may be said that it was very sloppy work on the part of the minister.

Mr. Hees: Well, perhaps it was.

Mr. Pearson: Now the minister says that perhaps the member for Peel may have been under a misunderstanding.

Mr. Hees: He could have been.

Mr. Pearson: I will repeat what the member for Peel said in the exchequer court. I think he is a lawyer, and he knows what he is saying before a court. He said that whatever valuations were made by the independent valuator would be accepted by the Department of Transport. That is his statement, which directly and specifically contradicts what the minister has said, and then the minister wonders why we get up in the house asking some questions. I will ask him some more.

Mr. Hees: Go right ahead.

Mr. Pearson: I am going right ahead. Did the member for Peel recommend to the minister an independent appraiser? The recommendation came from the member for Peel. Was that independent appraiser one of his political organizers?

Mr. Hees: These questions were all answered yesterday. If the hon. member had been in the house yesterday he would know perfectly well that these questions have been answered. He knows perfectly well from the record that an independent valuator was named. His name was Mr. Clare. I said yesterday I had no idea that he was any political affiliate of the hon. member for Peel. I answered these questions yesterday, but you want to drag them out again, to produce them again, to try to create some cloak and dagger atmosphere and imply that there is something nefarious about this. If that is all you can think about as questions on the estimates of the Department of Transport, if this is the only kind of thing you are interested in, it shows how little interest you take in the operations of the government.

Mr. Pearson: We ask these questions because we have an interest in the operations of government under the jurisdiction of my hon. friend.

Mr. Hees: Keep asking them.

Mr. Pearson: I will ask him a couple of more questions.

Mr. Hees: Let us have one that is at least a sensible question; we have not had one yet.

Mr. Pearson: I know how you feel about it.

Mr. Hees: I get tired of answering them two or three times over.

Mr. Pearson: Does the minister agree that if the efforts which were unsuccessful, because the courts prevented their being successful, to increase this particular valuation had been successful, similar increases would have been required for several others because this was one of 10 cases, and the whole question of 180 valuations would have been reopened which had been previously completed to the satisfaction of this group—

Mr. Hees: This is one of those hypothetical questions which has no bearing on the case at all. This question came before the courts and was decided on its merits. The hon. gentleman knows how it was decided. His question is simply a hypothetical one, if so and so happened and something else happened, what would be the result, and so on.

Mr. Pearson: I suggest to the minister that if this case had been decided in the way the member for Peel wished it to be decided, by increasing the valuations to the point which he thought was fair, then the 180 cases which had been decided would have had to be reopened. There is nothing hypothetical about that. Let me ask the minister this. How many other properties did this independent evaluator, Mr. Clare, evaluate in addition to the Drew property, and what was the amount paid for his services?

Mr. Hees: I think he evaluated 12 properties, and we will be very glad to get the amount he was paid. It has no bearing on the case whatsoever, but like all the other answers to all the other questions we will be very glad to give it. You have had the answer to every question you have asked.

Mr. Pearson: I am grateful to the minister for his promise to produce that information. Perhaps he will also produce this information, and I know he has not got it here. Will he give the committee the values set by Mr. Clare for each of the properties and the price previously offered by the department as a fair settlement for that property?

Mr. Hees: With a great deal of pleasure. It is on record. There is no problem in giving it. If I had it here I would give it right now.

Mr. Pearson: Then may I ask one final question at this particular moment. Were the valuations for the 180 or so properties that had been satisfactorily settled and accepted, and where everything had been satisfactorily concluded, made by departmental appraisers and evaluators?

Mr. Hees: By departmental and by independent appraisers as well.

Mr. Chevrier: Mr. Chairman—

An hon. Member: Junior counsel.

[Mr. Hees.]

Mr. Chevrier: —I have listened to the minister bring forward his estimates on a number of occasions.

Mr. Pearson: This is the first time he ever got mad.

Mr. Chevrier: I have also noticed how cool he is as a rule when he discusses his estimates in the house, but within the last 15 minutes or so he has been anything but cool. In fact he was extremely excited.

Mr. Hees: I get excited when I hear an attempt made to smear a colleague. That is why I get excited.

Mr. Pearson: Mr. Chairman, the minister has said there was an attempt made to smear a colleague. That is quite unparliamentary and it is also quite untrue. The minister does not know the difference between an attempt to smear and an attempt to get the facts.

Mr. Hees: To me what you are doing is an attempt to smear.

Mr. Chevrier: Mr. Chairman, I repeat without hesitation that there is no attempt either on the part of the Leader of the Opposition or on the part of myself in the statements I wish to make and the questions I should like to ask to smear anyone in any way whatsoever—

Mr. Grafftey: Nonsense.

Mr. Chevrier: —and if there is any doubt about that I can cite two cases that occurred when I was on the other side of the house and refer to what happened on similar occasions. Perhaps there will be silence if I do cite them. I do not want to go into these matters now, but I think we are entitled to ask these questions. We are entitled to ask them because it is our responsibility to get the information. It may be that some of the information does hurt.

Some hon. Members: Oh, oh.

Mr. Chevrier: If it does, I am sorry; nevertheless I think the minister should, as he has done, do his utmost to give us the facts so that, as the Leader of the Opposition said earlier, we will then be able to determine what our course of action should be. The minister put on the record today copies of the correspondence. I, of course, have not had the opportunity to read it all but I did read one letter, and I should like to put the second last paragraph on the record. Perhaps I should put the whole letter on the record. It is dated at Ottawa, October 24, 1957, addressed to the minister, and reads as follows:

Dear George:

Re: Malton airport expropriations

I hate to bother you with such things, but I have had a telephone call and a telegram; Bill Beach has had telephone calls; and apparently Speers, the land agent in Toronto, has made the statement that he and not the minister is running the department in Toronto.

I take it that Speers is the district appraiser of the Department of Transport in Toronto.

I have had a talk with Earl Clare, whom you appointed for the purpose of evaluating small holdings, and he tells me that Speers was in Ottawa today, apparently with some proposal to the deputy minister or assistant deputy minister that Clare be taken off the job.

Clare has already promoted the public relations of the Department of Transport more than the land agents have done in the last three and a half years. He has taken the time to examine each house and sit down and talk over the valuations which the owners want, with each owner. Needless to say, he will come to his own valuation.

Now I come to the second last paragraph.

I have known Clare for many, many years and he is not going to be influenced by Speers or any home owners. You may or may not hear of this through your deputies but, if so, I suggest that they be told in no uncertain terms that Speers is to get off Clare's back and let him do the valuations in his own way; if not, it defeats the purpose of appointing him.

No answer is expected and this, I suggest, might be ripped up and thrown away.

Well, I am not surprised that the last paragraph is in the letter, but in view of the second last paragraph I ask the minister this question. The minister has said here is a man who is so anxious to assist his constituents and do the very best he can to get a good deal for the small people, does the minister now think the sentiments contained in that second last paragraph are the kind of sentiments that should be expressed in the light of what has been discussed this afternoon, and does he think this is good administration on the part of a member of parliament?

Mr. Hees: Mr. Chairman, the hon. member for Peel was only anxious to see that these valuations should be fair valuations, and in expressing that opinion he was only saying that in his opinion that was the way to see that the valuator, Mr. Clare, could carry out a fair and independent valuation which would get a square deal for the people whom the member for Peel represents in parliament.

Mr. Chevrier: The point is that the valuation was to be increased substantially and if one reads the judgment, which is quite clear in that respect, it leads one to believe that the moment these valuations were accepted then the 180 other cases would also have to be reopened. Whether or not they were adequate valuations I am not saying at the moment.

Mr. Diefenbaker: May I ask the hon. member where there is any support for that conclusion in the judgment? I have the judgment before me.

Mr. Chevrier: Oh, there is no support for that in the judgment at all.

Some hon. Members: Oh, oh.

Mr. Chevrier: Now, just a moment. The Prime Minister asked me a fair question and I answered it frankly. Of course there is no suggestion of that in the judgment. It was not being considered. But I am making the point now that the moment you increase the valuations on 11 properties, how on earth are you going to leave the properties of 180 other people living alongside in the same district without increasing their valuations? It just cannot be done. I know that similar cases have taken place before—

Mr. Diefenbaker: Will the hon. member mention any cases—he will know, of course, because he was minister of transport—where final settlement had been made and thereafter as a result of court proceedings some adjoining property was valued at a higher amount which required the reopening of the other cases? He said he knows of cases.

Mr. Chevrier: I did not say that.

Mr. Diefenbaker: I took it that way.

Mr. Chevrier: The Prime Minister interrupted me before I finished my sentence.

What I was going to say was this: I know of cases in the Department of Transport where valuations having been made and a series of claims having been disposed of and the compensation money paid, adjacent owners came along and said, "We are not going to accept that valuation". Then, pressures were brought about, not only by groups but by municipalities, associations and even members of parliament who said, "We do not believe that valuation is a fair and reasonable one; we think it should be increased because of increased prices in the area, because industry may since have been located in the area," or because of other reasons of which I am not reminded at the moment. But we took the position at the time that it is up to the exchequer court to determine what the compensation was, and the moment the exchequer court determined what the valuation was, then that made the position quite clear in so far as the other expropriatees were concerned.

I come back to the statement I made earlier that while there is no mention in the judgment of the 180 other persons, the moment this valuation was accepted, the moment this agreement was made as was suggested and as was said in the judgment, then the

other 180 cases would, of necessity, have to be opened. This being the case, then the federal treasury is in a pretty serious position in so far as these people are concerned because I am sure the Department of Transport or the government would not want to treat a group of expropriatees in one part of an area in one manner by paying them one price, and another group just alongside differently by paying another price.

Mr. Hees: If I may answer that, I would say that you have a distinct group of 180 people who were satisfied, who had signed with the department and whose deals were complete. So far as we know, they are quite satisfied. You had one small group of 12 people who said that they were not satisfied and it is, in a free country like this, your right to be either satisfied or not satisfied with the deal that is offered. These people said they were not. The hon. member for Peel felt that they had a good case and he decided to try to get them a square deal, to get them a fair valuation. That is all he tried to do.

I should like to ask the hon. member this. If in his riding there were a group of people who were satisfied with a certain valuation and a small group who were not, would he then say to them, "Oh, no, you have got to take what you are offered because 180 other people have been quite satisfied; I cannot go to the government because if you have been done a grievous wrong and if we look into it and find you have been done a grievous wrong we could not pay you any more because this would mean opening up a lot of other cases and that would cost the government a lot of money." If the hon. member were representing 12 constituents who felt they had a raw deal, would he not go to the government and fight tooth and nail to get them what he considered to be a square deal? Would he or would he not do that?

Mr. Chevrier: I have no objection to my hon. friend's interruptions or his questions.

Mr. Hees: This is a free and open debate.

Mr. Chevrier: Yes, certainly. He states that the group expropriated earlier, the 180, were satisfied with their valuation.

Mr. Hees: As I understand it; they would not have signed if they were not.

Mr. Chevrier: I accept that statement, but does the minister think for one moment the man next door who noticed the increase in valuation would be satisfied? Does he think for one moment that as soon as a neighbour gets an increase of $5,000 or $10,000 for his property, the man who settled before will not come back and ask for a similar increase?

[Mr. Chevrier.]

Mr. Hees: I will answer that right now.

Mr. Chevrier: Just a moment; that is what took place in a number of cases in the Department of Transport. All you need to do is consult your own officers in connection with expropriations.

Mr. Hees: I will answer that right now. In other words, if you have 20 constituents and 19 of them feel they have had a square deal but the 20th feels he has not—

Mr. Pearson: You have had six valuations already.

Mr. Hees: Just a minute; would the hon. member say, "I will not try to have your case opened up because if I do try, and even if I feel you had a raw deal, it would mean that the government would have to open up the other 19 cases and give them a similar deal." If that is the hon. member's attitude, then he will not be back next time.

The Chairman: The Chair has allowed the debate to continue for the last half-hour, but for the sake of relevancy I think it is about time we examined the situation. The Leader of the Opposition and the hon. member for Laurier have both said that no attempt has been made to smear the hon. member for Peel or any other member, and the Chair is ready to believe that no such attempt was actually made.

However, these repetitious questions and repetitious answers have continued and it seems that the present basis of this debate is a hypothetical question as to whether or not, if this valuation had gone through, 180 individuals would have protested the former valuation to which they had agreed. It is impossible to expect a debate to be continued on such a hypothetical basis. I regret to say that unless hon. members of the opposition explain clearly the purpose of all these questions and answers, and the reason for this debate I shall have to declare this debate out of order because it is not relevant to the item under discussion.

Mr. Chevrier: Mr. Chairman, if you so declare then there will be no doubt about the position which we, on this side of the house, will take. We will accept the ruling of the Chair, but I tell you in all honesty and in all sincerity, that I do not believe that would be an equitable decision. However, it will be up to you to determine, sir.

I do not want to pursue the matter unduly, but I am not going to let the Minister of Transport get away with the last statement he made, that if I continue asking these questions I will find myself without a seat.

Mr. Diefenbaker: No, no.

Mr. Hees: I said, if that was your attitude toward your constituents you would not be back. I asked you a question.

Mr. Chevrier: My hon. friend need not worry too much about what is likely to happen in my constituency because—

Mr. Hees: That is what George Marler said.

Mr. Chevrier: But my hon. friend's colleagues on the other side have done their best on two occasions not only to defeat me but to see that I would no longer be a member. They have not been successful. I do not imagine, judging by the popularity of the present government in the province of Quebec now, that they will be successful in the next election.

There are one or two questions I should like to ask the minister. Before I do, I should like him to comment on this particular part of the judgment of Mr. Justice Thorson, at page 16:

> I have no hesitation in rejecting Mr. Clare's valuation. I do not believe that he was a free and independent appraiser. He admitted that Mr. Pallett, who had recommended his appointment, said that he wanted a good price and on his cross-examination, after long hesitation, he admitted that Mr. Pallett had instructed him to put as generous a valuation as possible on the properties and he told Mr. Speer, the Department of Transport's agent, that it was difficult for him to carry out his instructions.

Would the minister care to comment on that paragraph?

Mr. Hees: As I have said to the hon. member several times, and as he knows, being a distinguished barrister, it is completely wrong to ask me to comment on a judgment which has been rendered.

Mr. Pickersgill: That is not true, of course.

Mr. Chevrier: That is so if the case were sub judice, but it is not. It is a judgment, and so far as I know it is not under appeal.

Mr. Diefenbaker: It is still within the period within which an appeal could be taken.

Mr. Chevrier: That does not make it sub judice; it becomes sub judice the moment the appeal is launched. An appeal not having been launched, it is proper for anyone to comment on it and therefore it is proper for the Minister of Transport to comment on it, but every time I ask him questions concerning the judgment he always comes back and says in his very breezy and easy manner: you should know better, you are a lawyer, and so forth. But that is not an answer to the question. Either the minister answers the question or he does not. If he does not answer it, then that is fine. We accept that. If he chooses to answer it, that is another matter again.

Mr. Hees: I have answered every question which the hon. gentleman has put to me. He asked for material, and I have given it to him. This morning he asked for correspondence and I gave him far more than was necessary. I gave him all the letters that could be found.

Mr. Chevrier: What do you mean by "far more than was necessary"?

Mr. Hees: I think it is completely wrong to ask a member of parliament to comment on a judgment of a presiding judge and I do not intend to do so.

Mr. Chevrier: All right, I will leave it at that. I think the hon. gentleman is in error, but he is entitled to his opinion just as much as I am to mine.

Mr. Hees: It is the only time I have refused.

Mr. Chevrier: Now I should like to ask the minister this: what is the position of the department with reference to the ten other cases which have not been disposed of?

Mr. Hees: We have offered, I am advised, immediate settlement at valuations comparable to that in the judgment.

Mr. Pearson: Is it not the intention of the minister, then, to give these other cases the benefit of the judgment of an independent valuator.

Mr. Hees: I am abiding, as I am sure the Leader of the Opposition would, by the judgment of the court.

Mr. Herridge: Mr. Chairman, I am speaking for this group. We have listened very carefully to the discussion of this matter and we want to be very fair about it. First of all, let me say that we think it is most unfortunate that the hon. member for Peel is not in his seat while the estimates of the Minister of Transport are being discussed. It seems to us that everyone should have realized that this matter would have been brought to the attention of the committee.

Mr. Diefenbaker: I do not want to interrupt the hon. gentleman, but having read in the press of the intention of the Leader of the Opposition to bring this matter up on Monday —that is what the press said—I got in touch with the hon. member for Peel and had him here. Every opportunity was given at that time for making any statement which the opposition wished to make—I am not referring now to the hon. member for Kootenay West and his associates. It was known the hon. member for Peel would not be here for the ensuing three days and he was here when it

was stated in the press that there was going to be some suggestion, insinuation or something of that kind made against him.

Mr. Pearson: On that point, would the Prime Minister give the basis for his statement that we were going to bring this matter up on Monday?

Mr. Diefenbaker: Only the reference in the press to the effect that one of the hon. gentlemen opposite was going to bring it up. There was some reference, either in the press or on the radio, indicating that the Leader of the Opposition intended to press this matter. Immediately I communicated with the hon. member for Peel. The hon. gentlemen first raised this matter last Friday. I noticed then that there were innuendos and implications made, and that the question was likely to be raised again. The hon. member for Peel was here on Monday, available to answer any questions. He was here in the house. From then on he intended to be absent for the next two or three days, and all I can say is this: up to the present, there has been nothing other than these suggestions and inferences and innuendos for which the Leader of the Opposition is not prepared to take responsibility. He realizes that if he goes farther than he does in his suggestions, the fullest opportunity will be given to him to establish any alleged wrongdoing. There has been no suggestion yet of that because from the very beginning he said there was none.

Mr. Pearson: Perhaps we can finish off this question of procedure. I should like to tell the Prime Minister that I am willing to take responsibility for every statement that I have made on this matter, and there is no basis for any statement on his part that I am running away from that responsibility, as he will find out when we get the information. Then the Prime Minister had the effrontry to suggest that because it was stated somewhere in a newspaper that we might be bringing this matter up on Monday he instructed the member for Peel to be here on Monday.

As the Prime Minister knows perfectly well, and if he does not I will refresh his memory, on Friday I first raised this matter and the Prime Minister said he would make a statement later. On Monday he made a statement, and I said at that time we would examine that statement and decide what course we should take. There was no opportunity to deal with this matter until the estimates of the department came up. That would be the first opportunity. The Prime Minister knows himself that the estimates of the Department of Transport could not come up before Wednesday, so his excuse for the hon. member for Peel not being here is a very feeble one indeed.

Mr. Diefenbaker: Let us be clear. The way in which this has been done in the past when this—I will not call it McCarthyism—has been indulged in is to face the issue. At any time the hon. gentleman can make the necessary motion, as Sir Wilfrid Laurier once said. I hope he will take that course, because on the face of the facts he will realize he can go no further than make suggestions—

Mr. Pearson: I know something about McCarthyism, and I say to the Prime Minister that McCarthyism means when a man is charged before you know the facts.

Mr. Diefenbaker: That is what you are doing.

Mr. Pearson: When we get the facts we will decide what action should be taken. Does the Prime Minister say that that is McCarthyism? Let me remind him of some of the things he used to do over here when he was attacking the government without a complete basis of information. His suggestion that our effort to get the facts from the minister is McCarthyism is not worthy of him.

Mr. Diefenbaker: I will not enter into that discussion. I will simply say that the Leader of the Opposition has followed a course of innuendo but is fearful lest he go beyond that.

Mr. Chevrier: I deprecate the statement which the Prime Minister has just made to the effect that the Leader of the Opposition has followed a course of innuendo rather than proceed in the manner in which the Prime Minister indicated on the orders of the day, I believe on Monday. The Prime Minister is too good a lawyer not to know that this is not the only method by which a matter of this kind can be proceeded with. The Prime Minister has been in the house far too long—

Mr. Diefenbaker: What would be that other method?

Mr. Chevrier: I will come to it in a moment. The Prime Minister has been in the house far too long to try to throw the burden over to this side of the house and to attempt to scare the opposition into not pursuing this matter.

Mr. Hees: He has encouraged it.

Mr. Chevrier: That is exactly what the Prime Minister tried to do the other evening. If he is encouraging it, why does he not allow us to debate this matter as it should be debated, not by seeking information and

asking questions and prying it out, as we have to do. The position is this: the Prime Minister hastened, on the orders of the day, to say that the opposition would be given all the opportunities they wanted. Let them debate it all they like, he said. Let them have no complaint about the government. We are complaining now about the manner in which this question is being handled, and I suggest to the Prime Minister that if he is so courageous he should give us an opportunity to consider this matter fully. Why does he not have the hon. member for Peel make a statement so that we may know exactly what the facts are.

I said a moment ago that I would remind the Prime Minister of another occasion. Does the Prime Minister remember an occasion on which the leader of the opposition in this house charged the Right Hon. C. D. Howe with certain interests having to do with the C. D. Howe Company? Does he remember that was a clear cut charge in express language or in any way you might put it? It was debated in this house day in and day out by innuendo and in every other way. It was talked of outside the house and it was talked of here. Was the leader of the opposition asked to resign because he was not able to substantiate his charge? Of course he was not. Surely this is not a new procedure. Surely because no charge is laid against an hon. member is no reason to deny information to those of us who want that information? I am sure the Prime Minister, he who has been speaking about introducing a bill of rights, would be the last one to do so. That is one of the foremost things concerning a bill of rights, that we should be entitled to information. Well, let us have that information.

Mr. Hees: What information do you want that you have not been given? You have had every question answered, and every piece of material has been given to you.

Mr. Chevrier: My friend gets exercised a bit—

Mr. Hees: I just want you to answer.

Mr. Chevrier: It is not for me to answer, but you.

Mr. Hees: I will answer any question you ask, except to comment on the judgment of the court, because I will abide by the judgment of the court.

The Acting Chairman (Mr. McCleave): Order. I would ask hon. members to please address their questions through the Chair. I would also remind hon. members that the hon. member for Kootenay West was on his feet and making a speech, which I allowed hon. members to interrupt to deal with a specific point about the role of the hon. member for Peel. If they have concluded their remarks on that particular matter I would ask the hon. member for Kootenay West to continue with his remarks.

Mr. Chevrier: Mr. Chairman, may I make one short comment and then I will resume my seat; I am sure there will be no objection to it. The hon. minister has just stated that he will abide by the judgment of the court. I am glad to hear him make that statement. The judgment of the court is a clear cut condemnation of the member for Peel.

Mr. Herridge: Mr. Chairman, I want to express my sincere appreciation for the hon. members exhibiting the tolerance which permits me to continue with the speech I started some minutes ago. We have listened very carefully to this debate and I can truthfully say that the hon. members of this group want to be as fair as possible on this issue. It is very easy to get worked up on one side or the other.

I said in my preceding remarks that we had hoped that the hon. member for Peel would have been in his seat. We think it would have been more appropriate on this occasion, but the Prime Minister has apparently explained that. We have listened to the questions asked by the Leader of the Opposition and other very important people in the front benches of the official opposition and to the answers given by the Minister of Transport. I must say, Mr. Chairman, that I could not sleep last night again. I am a very bad sleeper on occasions. However, I read an article in *Maclean's* magazine about the Minister of Transport.

Mr. Hees: Not that.

Mr. Herridge: It mentioned his ability as a cadet and as a boxer. I was a boxer on one occasion and got knocked out on the same occasion. I was also a soldier and I would pay tribute to his record overseas, and as a political organizer and businessman. I do think this afternoon that he has exhibited a certain amount of ability to lay down what I would call a good smoke screen, and I do not think he has answered these questions directly enough. We in this group think it is most unfair for this issue to be left up in the air. It is most unfair to the member concerned and to the house. From what I can judge from listening very carefully, there are serious contradictions between statements made by the hon. member for Peel outside of this house and statements given to this house by the minister. I think that is accepted by everybody. There are very serious discrepancies between the statements made by

the hon. member for Peel outside the house and the statements made by the evaluator before the exchequer court. If statements made by a person giving evidence before the exchequer court are not correct, then that person has committed perjury.

To indicate how this type of situation creates doubt, confusion and suspicion, unfairly to the member for Peel and unfairly in the general approach of this house to this question our group received yesterday and today phone calls from various parts, and also letters in today's mail. These clearly indicate that it is a question which the public of this country would like to see cleared up. There is confusion, there is doubt and there is concern. I will be quite frank, Mr. Chairman, and say after listening to the questions and answers, in my opinion the hon. member for Peel exercised what I would call immature and poor judgment. That would be my opinion. But I think in fairness to him the whole matter should be cleared up, and on that account this group would support the request of the official opposition that a committee be appointed to inquire into the whole matter to settle it once and for all.

The Acting Chairman (Mr. McCleave): Shall the resolution carry?

Mr. Pickersgill: No, Mr. Chairman.

The Acting Chairman (Mr. McCleave): The hon. member for Iles-de-la-Madeleine.

Mr. Pickersgill: I wish to say something about the matter which is being discussed.

The Acting Chairman (Mr. McCleave): The hon. member for Iles-de-la-Madeleine.

Mr. Keays: Mr. Chairman, I do not wish to delay unduly the passing of these estimates, but I would wish to relieve the high pressure area which exists to our right and give them a little bit of the cold front.

I would like to bring to the attention of the minister a financial problem which affects the people of my riding. As you know the telephone system there is administered by the telecommunications branch of the Department of Transport. I would not be so naive to say that the expenditure of the department over the past few years is totally economically justified, but knowing the policy of this government of bettering the lot of people who live in areas such as mine, which is an insular area, the improvements which have been made to date have been quite satisfactory. I know it will be very difficult to obtain the revenue necessary to write off this expense. However, steps have been taken to increase the revenue, and one of the steps has been the monthly rental rate, which has been increased considerably and also accepted very reluctantly by my constituents. However, it is accepted.

Another matter concerns the toll charges which are now being put into force by the department. As you know, sir, the Magdalen islands are comparable to a large village. In the centre section, Grindstone, is located the commercial and industrial centres. There you find the hospital and all the doctors of the islands and those in the east end and the west end of the islands must call Grindstone island quite frequently. As the minister is aware only one exchange exists. For those who must call Grindstone daily at the rate of 15 cents per call this becomes very expensive. I would ask the Minister of Transport, owing to the recent increase in the monthly rental rate, to give consideration to delaying this toll charge for some time.

Mr. Pickersgill: Mr. Chairman, I had not intended to say anything about this matter of Malton valuations at all until the Prime Minister made his intervention this afternoon. I could not help but feel that one point had not been made by anyone and that it seems to me is the most obvious of all. In his judgment the president of the exchequer court has made statements about a member of this house which certainly call into question—and I am not calling it into question; it was the president of the exchequer court who did it—the propriety of his conduct as a member of this house.

I would not have thought it would have required the Leader of the Opposition or the humblest member of this committee to bring up this matter. I would have thought that the hon. member for Peel himself as was his right and, I suggest, his duty, under our rules, would have taken the first opportunity to give this committee the explanation to which it is entitled and which it has not received. I do not intend to say anything more about the hon. member's conduct when he is not here; but I do want to say a word or two about the conduct of the Minister of Transport and I wish to make these comments in a very non-controversial way because I as a minister was faced with a precisely similar situation to the one with which the minister was faced.

I was faced with expropriations which were being made by the organization over which my friend the hon. member for Laurier provided in his capacity as president of the St. Lawrence seaway. I was acting as a trustee for the persons who were being expropriated in the Caughnawaga Indian reserve. A very high proportion of those cases had been settled. Proposals were made to me, not by a member of parliament it is true, but proposals similar to those made to

the Minister of Transport when he first came into office, that the department should try to deal in a different way with the group of dissenters from the way in which the majority of those who had assented had been treated. I said that was an impossible course for the government to take and that the vast majority of these people having accepted, on a certain basis, the government could not subsequently give better treatment to others, and ever face the public.

I therefore think the minister was wrong to appoint this special evaluator. In my opinion, based on such experience as I have had, he should have told the hon. member for Peel that he could not entertain this proposal, that the settlements had been made with all these other people in comparable circumstances and that those who were not satisfied had their recourse to the courts and that that was the place for the cases to be settled.

The Chairman presiding over this debate prior to your taking the chair, Mr. Chairman, raised the question as to whether this matter was relevant. It seems to me it is entirely relevant. One hundred and eighty of these cases having been settled on a certain basis it would, in my view, have been the height of inequity for the government of its own motion to give better treatment to the remaining twelve. Those people could take the matter before the courts and try to get better treatment as one ultimately did, but that is another matter.

I am not criticizing the minister very strongly for this because I realize that, in 1957, he was new, inexperienced and eager, but I do say that I think the minister was guilty in this particular instance of a very serious error of judgment.

Mr. Hees: Mr. Chairman, I should like to make a clarification in respect of what I said a moment ago to the Leader of the Opposition. I said I accept the judgment of the court. Not being a lawyer, I did not quite realize what I was saying. What I intended to say was that I accept the decision of the court in regard to the settlement to be made and I intend to follow it in regard to the other cases that remain.

Mr. Pickersgill: Mr. Chairman, I was going to ask the minister a question about that, but I must say it slipped my mind. Is the minister satisfied not only with the conclusion reached by the court but with the reasons for judgment given by the president of the court?

Mr. Hees: As I said to the hon. member for Laurier, I think it would be quite wrong and I do not intend to comment on the judgment of the court. What I do say is that I accept the decision with regard to the payment to be made.

Mr. Pearson: Therefore, Mr. Chairman, the minister allows these other statements in the judgment to stand?

Mr. Hees: Mr. Chairman, I do not comment on the judgment in any way whatsoever. As I said, I simply accept the decision of the court with regard to the payment to be made, that is all.

Mr. Henderson: Mr. Chairman, I would like to say a word about an airport in my constituency. The situation there has been all muddled up. This coming Sunday there will be between 75 and 100 airplanes landing there. The situation is not the minister's fault. He has done everything he can and I think the muddling was done at the other end. I do wish he would undertake to look at this problem and see if action can be taken.

Mr. Hees: I will be glad to look into it, Mr. Chairman.

Mr. Dupuis: Mr. Chairman, on May 5, 1959, as reported at page 3373 of *Hansard,* I asked the following questions:

1. Have any requests been received by the government from individuals, associations or corporations to purchase or use a parcel of government owned land on the west bank of the Richelieu river at St. Jean, south of the Canadian National Railway bridge between St. Jean and Iberville?
2. If so, from whom, and for what purpose?
3. What action is being taken by the government?

In response to these questions I received the following replies:

1. Yes.
2. Messrs Robert and Bernard Goineau—for the installation of gasoline pumps and a repair shop for motor boats.
3. A lease has been offered to the applicants who have not yet indicated acceptance of the offer.

Could I ask the minister if he has a copy of that lease. I asked for it and never received it.

Mr. Hees: Yes, Mr. Chairman. I am advised that the lease has not been signed yet but as soon as it is I shall be very glad to table it.

Mr. Dupuis: Could the minister tell me what is in the lease? Could the minister advise me of the contents?

Mr. Hees: Mr. Chairman, I am afraid I have not got the lease with me at this table. I shall be glad to tell the hon. member

tomorrow on the appropriate item or if he wishes to speak to me I shall be glad to give him the information at any time.

Mr. Dupuis: Mr. Chairman, I respectfully submit that I asked for a copy of the lease over a month ago. I feel that the minister has had ample time in which to give it to me. He gave me all the documents referring to that purchase—

Mr. Hees: Mr. Chairman, could I clear that up now. I am advised there is no lease yet. It is simply a proposal that has been sent but it has not been signed. When there is a lease I shall be glad to let the hon. member know all about it.

Mr. Dupuis: The minister tells me there is no lease. Can he explain the answer I received on May 5 at which time I was advised that a lease had been offered to the applicants who had not as yet indicated acceptance of the offer?

Mr. Hees: Yes, I can explain that very easily. A lease has been offered; that is to say, a proposition has been made. It has not been signed as yet, however, and there can be no lease until it is signed. When it is signed I shall be glad to give the hon. member all the information he requires.

Mr. Dupuis: Can the minister tell me what proposals were made to the people concerned?

Mr. Hees: I do not carry this information in my head and my deputy minister does not have it at the table. This information is in the department and I will be glad to give it to the hon. member tomorrow. If he would like to come to the department he can find out all he wants to know about it. There is no problem involved in getting the information.

Mr. Dupuis: I am very sorry, Mr. Chairman, but I am not satisfied with that answer. This is a very important matter of great interest to my constituents. The minister received a demand from Mr. Robert Sauve whom he knows very well as the defeated candidate in my riding. The demand was dated June 9, 1958. I should like to continue in French because I know the minister is competent in this tongue and I would like to be well understood.

(Translation):

Mr. Chairman, according to the documents given to me by the Minister of Transport, on June 9, 1958 he received from Mr. Robert Sauve, of St. Johns, a request to the effect that Messrs. Robert and Bernard Goineau should be allowed to set up gas pumps and a workshop for yacht repairs on the federal site I mentioned.

Mr. Chairman, I want to call the attention of the minister to that matter. I have no wish to condemn his attitude, but I want to warn him of the existing situation before the lease is signed. If a lease has been offered, before the minister decides what he proposes to do, I want to warn him that the population of St. Johns will not view with favour the fact that the department or the Minister of Transport is giving a piece of public property to private citizens.

If the government disposed of a great stretch of land in that sector on the banks of the Richelieu river, we might perhaps consider such request to dispose of public property, but at this time, that site is the only one in the town of St. Johns, which gives access to the ships, boats and yachts, so that if use of that public site were alienated it would mean a discrimination against the people of my riding and my city.

Mr. Chairman, may I recall the steps that have been taken—and I want to be clearly understood: the Conservative candidate, Mr. Robert Sauve, asked the minister on June 9, 1958, to give Messrs. Robert and Bernard Goineau the opportunity of operating gas stations and a repair shop on a public site. Moreover, the mayor of the town of St. Johns, who is a friend of the defeated candidate, wrote to the minister on August 25, 1958, telling him that he had been told of such request having been made in favour of Messrs. Goineau. But the mayor of St. Johns never asked the town council to pass a resolution concerning Messrs. Goineau's request. Though the mayor of St. Johns signed the letter himself, no resolution was passed by the council to that effect.

Second, I point out to the minister that he received a petition from the Sorel yacht club in support of the request made by the Goineau brothers. Well, Mr. Chairman, I must say that Mr. Beaudry is unknown to me, that I am not familiar with the Sorel club, and that nobody in St. Johns can know about it, as it is not in our area. Mr. Beaudry, from Sorel, is scarcely welcome to say that it would be interesting to settle Messrs. Goineau on that lot.

Third, Mr. Sauve wrote several letters—for that is all he can do, poor man—and now, the chamber of commerce of St. Johns, in a communication bearing the signature of its secretary, Mr. Jean Frederick, wrote to the minister, telling him that his organization had received a request from the Goineau brothers, and that it had always favoured the installation of gas pumps, the improvement of the government land, when it was a case of providing yachts with an easy access to the river.

There again, Mr. Chairman, I would point out to the minister that there is no official resolution from the chamber of commerce of St. Johns; there is only a letter signed by the secretary, Mr. Jean Frederick.

I would ask the hon. member for Chambly-Rouville (Mr. Johnson) not to divert the minister's attention and to resume his seat, even though he should want to be appointed parliamentary secretary.

Mr. Johnson: With pleasure.

Mr. Dupuis: Mr. Chairman, I would once again remind the minister—

(Text):

Mr. Grafftey: Court clown.

(Translation):

Mr. Dupuis: Would the hon. member please repeat what he just said?

(Text):

Mr. Grafftey: I called you the court clown.

(Translation):

Mr. Dupuis: My hon. friend and constituency neighbour refers to me as a clown; allow me to point out to him that, in his own constituency he is referred to as "drafty".

I now continue, Mr. Chairman. On November 13, 1958, the junior board of trade of St. Jean-Iberville sent a letter to the minister under the signature of its secretary, Mr. Jacques McNulty. Well, Mr. Chairman, once again the junior board of trade did not send the minister a copy of an official resolution, duly adopted at a meeting of that association. All this to ask the minister, before he grants a lease to the Goineau brothers (and the minister will certainly not be cross with me if I rise in my seat today before the evil is done, because there is nothing unrepairable, it has not been done yet) to kindly consider the following:

First, it is the only piece of land that the citizens of St. Johns can utilize to get to their yachts or boats.

Second, it is absolutely inconceivable that individuals should be given a piece of land belonging to the public, a piece of land which is being used continually by the public and which, furthermore, is the only piece of land that the public can use to get to the Richelieu.

Third, if individuals should be given exclusive use of that piece of land, I respectfully submit that the minister should ask public tenders in order that the government may get the best offer possible. It should, furthermore, make a serious inquiry in order to know what are those people's plans about that piece of land.

Mr. Chairman, I respectfully submit that the minister, before he takes a decision, should consider the matter and make a detailed inquiry, so that next year I won't be obliged to rise in my place here to tell him: "You gave to individuals a piece of land which belongs to the public."

The minister cannot hold a grudge against me for having warned him of what is coming, but if the minister gives a piece of land belonging to the public, I must warn him that he shall certainly hear about it in forthcoming sessions.

(Text):

Mr. Hees: Mr. Chairman, I will be very glad to look into this matter. I am very appreciative of the hon. member bringing it to my attention. He asked for some details on the proposed lease. I am advised that it is a plot of land 220 feet by 120 feet, of which one-third is under water. The rental rate proposed is 60 cents a square foot for the two-thirds of the land above water and 30 cents a foot for the one-third below the water. I am glad to advise him that representations have come to us along the lines that he has been indicating, and I shall be glad to give the matter the very serious consideration that he has suggested we should give it.

Mr. Dupuis: I thank the minister very much.

Mr. McMillan: Mr. Chairman, I should like to say a few words on tolls on the Welland ship canal. I have spoken in the house several times against the imposition of tolls on this canal because I have said it would toll-lock lake Ontario.

The greatest percentage of the industry in Ontario making use of the water-borne traffic is situated around the shores of lake Ontario and along the Welland ship canal. Areas around the shores of lake Ontario are the source of very little raw material, so that most of the raw material has to be brought in through a toll area. In today's *Globe and Mail* there is an article by Mr. Forgie of the Ontario Paper Company, Thorold, an outstanding economist, and he urges that the Canadian people recognize the importance of the great lakes waterway system. He predicts that otherwise the development of Canada as a trading nation through the advantage of having the seaway can be strangled by the broad application of policies which have not been fitted to serve local and particular needs. He notes that Premier Frost has come out

against the imposition of tolls on the canal. With reference to the particular position of the Ontario Paper Company at Thorold he says:

> We have built docking facilities to load newsprint, pulp and pulpwood and have built up a fleet of ten ships which transport our raw materials and finished products throughout the great lakes system. We gain no benefit from improved depth facilities on the canal, yet we cannot move a ton of paper or a stick of pulpwood without paying a toll on a facility which has been completely paid for through taxes.

I realize, however, that the Welland canal tolls are just being charged for the cost of the deepening. The article continues:

> He said the principle of tolls had been introduced in such a way that a Canadian ship leaving a lake Ontario port is no longer able to proceed freely through the great lakes system.

I might say that the shippers along the canal are at a very great disadvantage now. It is costing them more to bring in pulpwood. It is costing the Steel Company of Hamilton more to bring in iron ore and their ships cannot make as many trips per season as they did in previous years. There is a lot of talk—we have heard it in parliament—about enlarging the Welland ship canal or duplicating a certain number of locks. I think this is particularly bad for our area because the manufacturers in the area think that it will add to the cost of shipping in future years. Also, the plants that are there will not expand because they are afraid of higher shipping costs.

The minister said a few minutes ago that only members of his party speak for the small people. I am trying to speak now for the small people in our area, the men who want to keep their jobs. The Hon. Charles Daley, minister of labour of Ontario, has made many pronouncements against tolls on the Welland ship canal and I know that Premier Frost came out again tolls about a month before they were imposed. According to the press two or three weeks ago, at the time of the christening of a new ship at Port Weller, Mr. Daley and others made protests in the presence of the Minister of Trade and Commerce and according to the press and some people who were there the minister, after listening to the protests, said that he would take up the matter with the cabinet in Ottawa.

I asked him in the house if any protest had been made and his answer was in the negative. I do not know whether or not I worded my question properly. He may have thought that I was asking whether any written protest had been made. But in the presence of a good many people who were present that day protests were certainly made to the Minister of Trade and Commerce and he said they would be taken up with the cabinet in Ottawa. I should like to ask the minister today if he has been receiving further protests from people about tolls on the Welland canal and if the Minister of Trade and Commerce has conveyed the protests made on that day to the members of the cabinet.

Mr. Hees: Did the hon. member mean to ask whether the matter has been discussed since the Minister of Trade and Commerce returned? I think the hon. member knows that what is discussed in cabinet cannot be spoken of in the house, but I can assure the hon. member that the Minister of Trade and Commerce brought it to my attention.

Mr. Argue: Mr. Chairman, yesterday on this item I referred to the St. Lawrence seaway and to what in my opinion are some very important faults in the construction of the seaway and made certain statements resulting from my own personal observations. I asked the minister at that time to consider referring the whole question of the seaway to a standing committee of the house for discussion and examination. I felt that this was necessary not only because of the apparent serious construction faults but also because of answers given to questions asked in the house as to the movement of piers, steps taken to bring about repairs to piers, remedial measures as they were termed, and the very startling revelation in my judgment that the piers of the Cornwall bridge do not go down to bedrock. I take it that the minister is refusing an inquiry by such a committee. I think he is making a very serious mistake.

Almost daily we see further evidence of difficulties of all kinds in the operation of the seaway and this suggests to me that not only with respect to construction but also to operation there are a great many things that require the most thorough and serious examination. There is a report today that it is impossible now for the dominion bureau of statistics to obtain accurate reports of tonnage going through the seaway. I have in my hand an article by Clark Davey in this morning's *Globe and Mail* which reads in part as follows:

> A change in method of reporting ship movements and cargo statistics has left the dominion bureau of statistics without any accurate records for the first weeks of St. Lawrence seaway operations. The seaway authority is expected to issue its own report shortly on the number of ships and total cargoes handled to the end of May.
>
> However, D.B.S. officials said they have been unable to obtain an accurate break-down of commodity figures essential to economic studies of the seaway's impact and of changing traffic patterns.

The article goes on to say that D.B.S. officials have endeavoured to find out the quantity of goods going through the seaway but that the clerks have all been moved to

the seaway office in Cornwall where they receive the forms from the ship owners or agents. The article continues:

> The clerks, in turn, transmit the information to the dominion bureau of statistics. In many cases, D.B.S. officials said, the ship owners or agents are simply not filling in the forms. In many other cases the information they provide is incomplete or wrong. They said repeated checks would have to be made and it would be several months, they expected, before the system was operating satisfactorily.

This may not sound too important to the minister but I think it is important that accurate statistics be readily available as to the traffic through the seaway. Surely if we are to know the value of the seaway it is absolutely essential that such statistics be readily available. This is another instance of inefficient operation. As stated by the dominion bureau of statistics, because of the lack of information it is impossible to report accurately the amount of traffic going through the seaway.

I related to the committee yesterday what I had seen so far as the locks near Montreal are concerned, and what I believe to be very serious errors in construction. This morning the minister made a number of statements in the house and referred to certain things that had been said in this debate yesterday. I had asked about the Cornwall bridge. I had asked why the piers did not go down to bedrock. I see no explanation from the minister as to why the peirs did not go down to bedrock. I see no statement by the minister which would suggest that the piers should not have gone down to bedrock.

The minister quotes from information with which he has been supplied to the effect that certain remedial measures were taken. He said that a preliminary report dated January 11, 1958 included the statement that the remedial measures being taken are reasonable ones.

Mr. Hees: I should tell the hon. member, since he asked why the piers were on glacial till and not on rock, that glacial till has practically the same density as rock and is considered by our engineers, the consulting engineers and the United States engineers, to be eminently satisfactory as a foundation for this bridge.

Mr. Argue: I would suggest, with great deference to the minister's knowledge in this field, that there are a great many eminent engineers who would say it was tragic, in this instance, not to have the piers put down through the glacial till another 20 or 24 feet to bedrock.

Mr. Broome: Could the hon. member give his authority for that statement?

Mr. Argue: I am going to come to that. I wonder if the minister would allow such authorities to appear before a parliamentary committee and give this kind of evidence as to whether or not, in their opinion, this is in fact the right type of construction.

Mr. Hees: May I just point out to the hon. member who was not here this morning when I gave my statement in some detail in answer to his question that I said I would be very happy to have him and the hon. member for Vancouver East, who asked these questions and who seemed to be genuinely worried about these matters, meet with our engineers who will answer all these questions; who will tell them how we operate; what our problems are and how we overcome them.

Mr. Argue: I was quite aware of what the minister said this morning. That is no answer to the suggestion that I made, a very serious suggestion that this whole question should be referred for study to a parliamentary committee, where these things could be studied out in the open and where the public would have a chance to learn the evidence and to decide whether or not serious errors, in fact, had been made. I do not believe, in answer to a serious request that such a public inquiry be held, parliament should accept or that I should accept this kind of offer to meet behind closed doors where the public has no access to the information, with officials of the department—

Mr. Hees: If I might just add there—

Mr. Argue: I have the floor.

Mr. Hees: If you are asking for information, or if you are just talking for publicity, let me know.

Mr. Argue: I have the floor.

Mr. Hees: If you are asking for information, I will give you some, but if you are making a speech for the press gallery—

Mr. Argue: I have the floor now.

The Acting Chairman (Mr. McCleave): Order; it is extremely difficult for the *Hansard* reporter to take down the remarks of two gentlemen who try to speak simultaneously. The hon. member for Assiniboia.

Mr. Argue: Apparently the minister knows as much about the rules as he does about some of the other things about which he professes to be an authority. I do not accept as a sound offer on behalf of the government that there should be this kind of closed inquiry and that the hon. member for

Vancouver East and I should chum up somewhere with the officials of the department so that we can be given a lesson on what took place.

Mr. Hees: You can have every question you want to ask answered.

Mr. Argue: The minister is very sensitive about this, he is very edgy on this point. He is unable to contain himself over there. Every time I make a point he jumps up and he makes an interjection.

Mr. Hees: I thought you wanted information.

Mr. Argue: He tries to claim the right to speak when he has no right to speak. I do not mind him being sensitive. I do not wonder that he is sensitive when it is said these things should be looked into in a public way. The minister did not refer, in any statement that he made, to the leaks to which I referred yesterday in the gates; he did not refer to the water spouting up through the concrete; he did not refer to the guards that were to have bolts connecting them, and in certain instances the bolts are missing—

Mr. Hamilton (Notre Dame de Grace): So are some of yours.

Mr. Argue: What was that?

Mr. Hamilton (Notre Dame de Grace): I just said some of your nuts and bolts are missing, too.

Mr. Argue: I knew that for some time about the hon. gentleman with respect to the same thing. After these very helpful and encouraging interruptions, I would say that the offer the minister has made surely cannot be considered a proper reply to the statements I have made concerning the faulty construction. I did not have to get advice from anybody to see the bulges in the walls of the locks. I had expected that the engineers and the construction firms, the people who built the locks, would build walls of a straight character. It is no wonder that with these additional bulges we hear so much about scraping because the walls, even to the naked eye, are badly constructed.

The minister admitted that remedial measures had been taken with reference to the piers. Remedial measures were necessary, I would suggest, because there had been faulty construction, because there had been a movement of the piers. However, when we suggest there is something wrong the minister says, no, there is nothing wrong. If you want to find out, just come along sometime and we will arrange a nice, cosy private meeting with the responsible officials of the seaway authority to discuss the complaints that have been received. I would suggest we have a full scale inquiry, not only as to inefficiency in the construction of the seaway as has been suggested, but also into the apparent inefficient operation of the seaway and as to why we have these jams, delays and bottlenecks about which we have read.

The further statement now that for some reason or another records of goods going through the seaway are not accurate and cannot be obtained in a ready fashion, the statement which the minister has made is, I feel, not one which can be accepted. I do not think that this is an answer at all. It simply by-passes the statement I made yesterday. And I think the minister's reply this morning substantiated the claim that I made that this is a subject about which there should be a full parliamentary inquiry.

Mr. Pickersgill: I am now going to make the speech I have always intended making on the estimates of the Department of Transport and I assure the minister that I am going to be speaking for the little people of Newfoundland as indeed I have tried to do on many other subjects besides the minister's estimates in seeking to further the interests of the fishermen, though I have not been able to do much to soften the hard hearts of members of the government in this respect. But the heart of the Minister of Transport is, perhaps, softer than those of his colleagues and I want to start by supporting very warmly the appeal made to the minister yesterday by the hon. member for Grand Falls-White Bay-Labrador and the plea I made on behalf of that hon. member a year ago when he was not able to be in the house. The hon. member stated the problem, but I should like to say something about the background to this problem.

At the time the terms of union were negotiated ten years ago it was decided by the then government that the telegraph and telephone service formerly operated by the department of posts and telegraphs of Newfoundland would be taken over by Canadian National Telegraphs but because, for certain historical reasons, telecommunications in Labrador had not been under the administration of the posts and telegraphs of Newfoundland no similar action was taken in that area. Labrador is an integral part of the province of Newfoundland and it does seem to me that the people of Labrador—I am sorry to say I do not represent them though I would love to; they are represented very adequately by my hon. friend from Grand Falls-White Bay-Labrador—deserve an improved service. I would remind the minister,

as I may say I reminded some of his predecessors—I say this in the presence of one of them today—that the large centres are better served. The minister smiles and I know that he thinks he is doing a lot better than previous ministers. This is one respect in which he can show his interest in the small people about whom he was speaking. I hope he will get up and tell us that it is the intention of the government to reorganize these communications or, alternatively, entrust the whole problem to the C.N.T. As a matter of fact, I think the second course would be better than the first. I can understand that the minister should not want bureaucrats to be running a telegraph service, if I may use the minister's word, but I think the C.N.T. is much better equipped. And I should like to add that despite occasional criticisms that are heard in Newfoundland—and I may be taken to task by some of my constituents for saying this—I think the Canadian National Telegraphs has done a marvellous job in Newfoundland in the last ten years. I think it is really remarkable the way they have increased the efficiency of the service and modernized it under very difficult conditions, and I am informed that they have been somewhat surprised to find that when they had modernized their equipment and improved the service the financial position was improved instead of the reverse.

I would suggest to the minister that no matter how much recovery is made this year, we are going to have seasonal unemployment again next winter in Newfoundland, and if any way can be found to have advanced planning, perhaps on a larger scale, for the modernization of the telephone and telegraph system in order to provide employment, it would be welcome. I know you cannot cut the poles in winter but you can put them up. After all the minister does have to take the over-all financial responsibility for the budget of the C.N.T. even if it is not a direct responsibility, and I think this is another way in which he could help very constructively.

I also want to say a brief word about something which I would not have mentioned today but for one thing, namely, the absence of the hon. member for Grand Falls-White Bay-Labrador from the city today. I refer to the question of the port of Botwood and the pilotage there. I do feel that this situation at Botwood is a very special one. It is important to keep this port open for the longest period of the year in order to maximize the returns of the pulp and paper industry and to enable them to keep the maximum number of men in employment. There are some special difficulties which I will not discuss now, but I say that I have always found the department exceedingly co-operative in these matters. I know I can say the same for my colleague, the hon. member for that district.

While I am still dealing with the problems of my hon. friend from Grand Falls-White Bay-Labrador I do not think he would mind if I also endorsed what he had to say about the hotel at Gander. Gander, after all, is only five miles and a few moose away from my constituency, and it is a place to which I generally go when I am going to my constituency. It is a place in which I have taken a great interest and a place in which the taxpayers of Canada have invested tens of millions and, no doubt, hundreds of millions of dollars. And it is in our view the most important airport in Canada if not in the world.

There is a real danger that unless a little more energy and initiative is put into getting a hotel there as near as possible to the terminal there will be increased pressure on the part of the international air lines to avoid Gander whenever they can, and this very big investment may be lost because of a relatively small matter. I know the department does not want to run a hotel, and I do not blame them, but I think that rather than jeopardize the whole investment in Gander they should consider even that. However, I think there are other ways in which the problem could be taken care of.

I should like the minister to tell us, if he can, and if there is anything to tell, just what it is we read in a mysterious way about the free port on the south coast of Newfoundland. We keep reading items in the papers and see it suggested from time to time that the members from Newfoundland are neglecting their duties because they are not supporting this project which we are told the Minister of Transport is terribly eager to advance. I think the public in Newfoundland would like to know. Certainly I would like to know, and I am sure my friend from St. John's East would also like to know what the score really is, if there is any score.

So as not to leave out any canal in the country I am not going to ask the minister about the canal across the Avalon peninsula, which would shorten the journey to Europe appreciably. The minister can put that down for his long term planning.

Mr. Hees: The late late show.

Mr. Pickersgill: However, there is that other canal which would shorten the journey from Newfoundland to New York, and whose construction would appeal to a great many people in the Atlantic provinces. I should like to ask the minister how far he is getting in his studies concerning the Chignecto canal. Perhaps the minister would not mind telling

us what progress has been made in implementing the promise given in St. John's in the 1957 election of which I will remind him. According to the *Globe and Mail* which, as the minister realizes, is a very reputable newspaper, the Prime Minister said in St. John's in April, 1957:

> Newfoundland's narrow gauge railway should be converted to the standard gauge because the present line retards development, adds to the cost of transportation and therefore makes it more difficult for Newfoundland industries to compete in domestic mainland markets on the same basis as other provinces.

I am sure the minister agrees completely with that statement of the Prime Minister, and the people of Newfoundland would be delighted to hear what progress is being made.

Then there is one other thing the minister might tell us. Shortly before we went out of office the government instituted an interdepartmental inquiry in co-operation with the Canadian National Railways on transportation in the Atlantic provinces, and I think we would like to be brought up to date on the progress of that survey, particularly on those concrete things which have been accomplished as a result of it.

Mr. Hees: Mr. Chairman, the hon. member has given me quite a few things to answer here. First of all, he mentioned communications in Labrador, and I was very interested to hear what he recommended in that regard and we will certainly take up this matter with Canadian National Telegraphs.

With regard to Botwood, I am very glad to be able to tell him that next winter an icebreaker will be based in Newfoundland, probably at St. John's and this should help very materially in meeting the situation at Botwood and other localities in Newfoundland.

Mr. Pickersgill: The minister would not consider basing it at Twillingate?

Mr. Hees: I will take it under serious consideration! The next matter he mentioned was the need for a first class hotel at Gander. I agree that it is a very real need which we have appreciated for some time, but as he knows the Department of Transport is not in the hotel business and we would welcome very much any approaches made to us by outside interests who would like to build a hotel there. I must say from what I have seen of it that I think a hotel built there would be a financial success.

The next question he mentioned was the question of a free port. All I can say there is that I would suggest he talk to the editors of the *Financial Post;* they seem to be the only ones who know very much about it. They have discussed it in quite some detail, but they have not talked to us and I do not know anything about it.

Mr. Pickersgill: If I might interrupt the minister for a moment, the government is not making any serious study of this matter at the present time, then?

Mr. Hees: Not to my knowledge, Mr. Chairman. Then the hon. member mentioned the Newfoundland railway and changes in the gauge of the Newfoundland railway, but I have had no report on that recently from the Canadian National.

Next he mentioned the Chignecto canal, and I would like to read a report made for me on that matter. This was submitted by the economics division of the Department of Transport and it reads as follows:

> Estimates of cost have risen greatly since the surveyor commission estimated in 1931 the cost of a smaller project than now being studied at $48 million. The estimates now run from $90 million to $140 million. An alternative plan has been submitted by the Foundation Engineering Company and this too has been referred to engineers for study. The question of hydroelectric power development in connection with a canal has been given consideration, and thus far it would appear that engineering opinion is generally agreed that the two projects could be treated independently; in other words there would be no substantial savings from a joint project.
>
> At the same time the department has undertaken to obtain information on the possible economic value of a Chignecto canal. In view of the comparatively heavy cost of construction this is an important aspect of the question but not one on which it is easy to reach definite conclusions. We know of certain items of traffic that might use a Chignecto canal but whether the canal is capable of attracting sufficient long distance traffic from present routes to justify its construction is still problematical.
>
> Both the engineering and economic studies are continuing and reports should be received some time this summer.

Mr. Pickersgill: I wonder if the minister could say who was doing the engineering study and who was doing the economic study?

Mr. Hees: The public works engineers in consultation with our own engineering staff. The economic study is being carried out by the economics division of the Department of Transport.

Mr. Bell (Saint John-Albert): Could I ask a supplementary question regarding the canal. I wonder if the minister would say if those who have facts regarding the economics of the canal and possible use of the canal should make them known to this economics division, or should they wait to be called on—

Mr. Hees: We are most anxious to get any information we possibly can about possible users of a canal in that area. We invite most seriously anyone who has any information about possible users of the canal to come forward and either get in touch with me

or get in touch directly with Mr. George Scott, the director of economic policy of the Department of Transport, because it is most important we get that information and without it we cannot get ahead very quickly on the economic study.

Mr. Pickersgill: Before the minister leaves the Chignecto canal, I think he gave a lower figure of $90 million and an upper figure of $140 million. Was that the range of cost for one scheme or was that two different schemes?

Mr. Hees: That is the range for two different schemes. The Foundation Engineering have submitted—

Mr. Chevrier: Is it Foundation Company (Maritimes) Limited?

Mr. Hees: It is Fenco Engineering. They have submitted a proposition whereby the canal would have only one lock. The other plan is for two locks. We have had several meetings with this company and discussed the possibilities of using one lock, and those discussions are still going on.

Then the hon. member asked about studies going on in the department, and I would like to give some examples of the main projects which are being studied. First of all there is the Maritime Freight Rates Act. This is a study to decide whether any changes or adjustments in the present level of assistance might be justified. A traffic sample is being analysed to reveal the present distribution of the benefits by areas and commodities. Second, there is the Newfoundland coastal services. This is based on a detailed survey by the Canadian National Railways and direct investigations by departmental staff, and a decision has been taken to provide three new vessels for these services. Third, the Newfoundland-mainland ferry services. A subcommittee comprising departmental and railway officials has been given the assignment of assessing future needs in these services and making recommendations. Fourth, the Prince Edward Island ferry services and the causeway. Traffic analyses and forecasts have been made to serve as guides for future needs of these services. I am advised that out of that study came the new ferry which was announced for Prince Edward Island about a week ago. Fifth, the Nova Scotia-New England ferry services. Traffic analyses have been made of these services to determine whether additional capacity is required at this time. Sixth, the Chignecto canal, and I have just dealt with that.

Mr. Pickersgill: The minister has not indicated that there was any consideration being given at any place in this survey to the possibility of the federal government, in order to relieve some of these services which do not pay very well, as we all know, substituting for them assistance for highways which would provide in some cases a better alternative.

Mr. Hees: This has been included in the items which are under study, but no conclusions have been arrived at so far.

Mr. Pickersgill: Does the minister expect a definite report to be made, or are these studies all independent of one another?

Mr. Hees: These are all separate studies and are being dealt with as they come forward, and the reports will be made separately at various times.

Mr. Pickersgill: There is one question the minister did not answer, and I know he just overlooked it. I refer to my suggestion that he should step up the modernization of the Canadian National Telegraphs in Newfoundland. I was hoping he would tell me he would double the budget particularly for the northeast coast.

Mr. Hees: Mr. Chairman, I think the hon. member missed the part of my remarks in which I dealt with that.

Mr. Pickersgill: No, Mr. Chairman. The minister referred to the Labrador in which I have an interest as a citizen but in the northeast coast I have an interest as a member and the minister has told us how important it is for members to represent their constituents.

Mr. Hees: I will certainly be very glad to include the northeast coast in my inquiries to the railway.

Mr. Brunsden: Mr. Chairman, the profound knowledge, sound or otherwise, exhibited by the last two speakers should hold a backbencher to his chair. I am particularly intrigued by the hon. member for Assiniboia for the reason that like myself he comes from the prairies. He is too young to have driven an ox cart. He knows something about horses. He speaks with authority with respect to deficiency payments. As a matter of fact he is an authority on every subject that arises affecting western Canada.

Mr. Hees: Or eastern Canada.

Mr. Brunsden: Today the hon. member for Assiniboia blossomed forth as an authority on a highly technical subject, the St. Lawrence seaway. I am chagrined that as a fellow citizen of his on the prairies I know so little of the subjects on which he speaks.

There is a question with respect to transportation in Canada which is probably involved with the St. Lawrence seaway in a

minor way. We have heard a lot in this committee with respect to rail and air transportation and today we heard from one who presumes to speak with authority on water transportation. I want to bring to the attention of the minister the fact that we in western Canada are relying more and more on air transportation, a statement with which I am sure the hon. member for Assiniboia would agree. We feel that there is a need on the part of the Department of Transport to give reconsideration to air terminal facilities on the prairies.

I did not speak in the debate on the speech from the throne but had I done so I would have talked to the house about my own city of Medicine Hat. It has a population of some 30,000 and is a strategic point with respect to transportation and yet it is a point lacking in proper air terminal facilities. It is my hope that within the next few months the department will reconsider the entire question of air terminal facilities not only across Canada but will consider along with the hotel at Gander the need for proper landing and takeoff facilities in our smaller western centres. We in Medicine Hat are restricted at the moment with respect to the type of plane that may land. We are losing a lot of services we might otherwise have. We require reconsideration of the entire problem of our runways, and our general airport facilities.

The Minister of Transport has many irons in the fire and is confronted with many problems. It is not my wish to press him with this particular one but it is important, as I am sure everyone from western Canada will agree, that we have in the not too distant future a thorough review of the entire air terminal facilities situation in western Canada.

Mr. McGrath: Mr. Chairman, I will just detain the committee a moment. I have three items for the consideration of the minister. He may deal with them when I finish speaking or when the specific items are reached in the estimates.

The first question I wish to raise is the need for the provision of additional facilities at the Canadian National Railways Newfoundland hotel at St. John's. A very good case has been made out for the provision of additional facilities at the hotel in the past few years by many prominent groups in St. John's. I am thinking particularly of representations made to the minister by the Newfoundland board of trade. While I realize this is a matter concerning the internal operation of the railway I would ask the minister to give consideration to this request in the light of representations that have been made over the past few years. As the minister is probably aware this is the only major hotel in that part of the province. I believe it is one of the few hotels operated by the C.N.R. that operates at a profit. It is not necessary for me to take the time of the committee to point out the necessity for the provision of these additional facilities because, as I said a moment ago, an excellent case has been made out for this by prominent groups in the city of St. John's and I would ask the minister to take this into consideration.

The second point I would ask to be considered is one with which I dealt with briefly last session during consideration of the minister's estimates. I refer to the need for provision of Canadian National express services at Bell island. At that time the minister assured me he would take up this matter with officials of the railway and inform me directly. After studying the question, the railway advised that it was not considered feasible to proceed with this service. I would suggest that the railway should consider the provision of vital services solely on the basis of need and not on the basis of economics. We realize we are here to try and cut down on the expense of the railway to the extent we can but at the same time as members our primary function is to urge the provision of essential services for those parts of the country where they are badly needed. An express service is vitally needed for Bell island. I would ask the minister if consideration could again be given to this question and if the matter could be re-opened with the Canadian National Railways with a view to providing express service to serve the 13,000 citizens on Bell island.

My third point concerns the provision in the estimates of this department for the construction of a new ferry to service Bell island. Perhaps when we reach this item or after I resume my seat the minister could report on the progress to date of the auto ferry for Bell island and advise when it is expected that this boat will be finished. Perhaps it will be possible for him to give an indication as to when this vessel will be placed in service.

Mr. Fisher: Mr. Chairman, in checking the remarks I made earlier today about the Department of Transport I realized that I insinuated it was the most inefficient department of government and I thought I should take this opportunity of adding one or two comments to support my earlier remarks. One thing that perturbs me is the tendency to have questions directed to this department made orders for return. We just do not have the answers. I think specifically of one that

I am very much interested in namely the lakehead harbour commission appointments. I asked for:

> A copy of all correspondence since August 1, 1958, exchanged between the federal government and the municipal authorities in Fort William and Port Arthur, Messrs. Milton Vibert, Arthur Widnall, Norman R. Wilson, and Harold G. Blanchard, concerning the appointment or selection of the lakehead harbour commissioners.

The names that I read off are all good, stalwart Conservatives. I want to get information on how those harbour commissioners were selected. I remember that the minister scored, according to the Canadian Press, in this house back on March 20. The Canadian Press report says:

> Transport Minister Hees suggested to a C.C.F. M.P. Thursday night that defeated Conservative candidates are wider awake than successful C.C.F. ones.
>
> He was asked by Douglas Fisher (C.C.F.-Port Arthur) why the names of the new lakehead harbour commission were announced by the defeated Conservative candidate in that area.
>
> "Perhaps it is because the defeated Conservative candidate is more on his toes than the member for Port Arthur," replied Mr. Hees, as government supporters thumped their desks and laughed.

I think the minister knew at the time that I had the information of who the appointees were to be for several months. As a matter of fact, his deputy minister told me several weeks before that, and in this particular case I was just being polite. I feel it is not the business of a member of parliament, government or opposition, to make announcements that should come from the department. I would like to suggest to the minister that the very fact it was the defeated Conservative candidate in Fort William who announced this is an indication of the kind of little game he is trying to play in order to boost his own stock as the crown prince. Since I did not get the information in connection with these local Conservatives, I would ask the minister whether he was aware that the man who has become the chairman of the harbour commission, Mr. Irwin, was a brother-in-law of the provincial member for Fort William?

Mr. Hees: The answer is no, Mr. Chairman.

Mr. Fisher: He did not know that. I might say it is, I think, the kind of information he should have known. I would like to ask the minister whether he can tell me anything more about this gentleman, Robert Alexander Cecil Henry, that I have been trying to find out about and still have not had any satisfactory answers?

Mr. Hees: What is it that the hon. member wants to know? Has the hon. gentleman not been answered with respect to Mr. Henry?

Mr. Fisher: The question has been passed but no information has been available yet on the orders of the day.

Mr. Hees: I am advised that the answer is ready because the deputy minister advises me that it went across his desk several days ago. I will see that it is hurried up.

Mr. Fisher: Does the minister think it might be considerate on his part to see that members who are interested in his department receive information such as this before his estimates come up? Does he not think it would be considerate to make a strong effort to clear up all these things so that we would have some information available to us that would be of help to us?

Mr. Hees: Some of the questions that hon. members, particularly hon. members from the group to which the hon. member belongs, ask require a great deal of searching from a number of different agencies. For example, the Department of Transport is spread over 13 different buildings in the city of Ottawa and there are a great many agencies and sections. I can assure the hon. member that there is no intention to hold back information. I think he knows that. We get it as quickly as we can. If we have been slow in this case I am sorry for it. He will get it just as quickly as possible. There has been no intention of holding back information at all at any time.

Mr. Fisher: I would not like to suggest there was any intention to hold back information. It is just the fact that information has been very slow in coming. I think the point the minister has just made that the Department of Transport is a huge department is true. It is very definitely a growing department, spread out all over Ottawa. This is another point to support something I said before and I will say it again. We need a new look at the administration of this department. I think we need a couple more deputy ministers to look after the various phases of it. It is so difficult for a member to document and lay down his impressions. My impression of this department is that it is not one of the better administered ones of the government and I think one of the reasons is that there is too big a load on the present deputy minister. The channels have not been worked out. This is my personal impression from a great number of contacts with the department. When I compare it with other departments such as the Department of Labour I find that it does not show up very well. From the Department of Labour we get replies very quickly. I know perhaps their problem is simpler but there are a number of government departments which are right on the bit in all their relationships in so far as correspondence, phone calls and

that sort of thing is concerned. That is not the way with the Department of Transport.

Mr. Chevrier: Mr. Chairman, I do not apologize at this time for bringing up another matter. The only reason I bring it up now is that it concerns at least two if not three of the divisions of the Department of Transport and I feel I should take it up at this time. I refer to the Dorval airport outside of Montreal.

As the minister knows, there is a great deal of dissatisfaction in Montreal at this time about the progress made in connection with the airport. That dissatisfaction has been engendered not only from groups and associations which are particularly interested in the airport but from others as well. I know of no newspaper in Montreal, in either the French or the English language, which has not severely criticized the Department of Transport on the progress made in recent years. I propose to criticize the department on this score, and it may be that the minister will find that I am responsible to some extent for some of this. If he so finds I will accept it; but none the less, the fact is that for the last two years the government has been in office and there has been little or no progress made.

I refer first to an article which appeared in *La Presse* of Montreal on June 3, 1959, entitled:

Une "stratégie sinistre"?

There can be no doubt about the feeling of those who read this article that there is a differentiation in the department between what is happening in Montreal and what is happening elsewhere. I will not go any farther at the moment.

Then there is the very serious complaint that appeared in the Montreal *Gazette* and the Montreal *Star* and in the statement made by the Montreal tourist and convention bureau. I may tell the minister at once that I was wholly dissatisfied with the answer he gave me on the orders of the day in which he indicated that far more progress had been made under his administration than under the former administration. I have no objection if he wants to say that and repeat it ad infinitum, but that does not derogate from the responsibility which rests on the government to get on with the airport in Montreal.

I am in the airport in Montreal at least once a week and sometimes more often, and I agree with the statement of the Montreal tourist bureau that it is a shame as to what has happened. I know that the position is, well, we will not do anything with the old airport until the new one is ready. That, of course, is a very tempting conclusion to come to and perhaps the natural one in all the circumstances; but if the new airport was coming along I think people would be able to put up with the difficulties in the old one, but the new airport does not seem to be moving at all. As a matter of fact, it is growing at a snail's pace.

What did the Montreal tourist bureau have to say? I will not deal in personalities; I will deal objectively. They state that the first view given travellers entering the country through the local airport is simply disgusting. Why would the Montreal tourist bureau want to make a statement like that unless there was some foundation for it? There is some foundation for it. All hon. members have to do is to go there and see. Particularly when various flights come in simultaneously, you just cannot get through the general area in the airport building, let alone all the other difficulties that take place. *La Presse*, in an editorial in the June 3 issue, said this:

(Translation):

Since the actual beginning of the works at Dorval, which was about five years ago—

(Text):

Listen to this carefully because I know the minister understands quite well.

(Translation):

—there has been time to start and complete the construction of the St. Lawrence seaway, to dot Montreal with skyscrapers, to build a number of airports in other cities, to make improvements to the Toronto airport on two separate occasions and to draw plans for a new air terminal in the Queen city that will likely be ready before that of Montreal. And when the Minister of Transport is questioned about it in parliament, he is satisfied to give a politician's reply and say that the present government is progressing more rapidly than the previous one. Unfortunately, the facts far from confirm such a breezy answer.

(Text):

I may add that I go to Malton airport from time to time and I am delighted with the progress that has been made there. There is a real attempt to expand the airport and divide the various areas so that with a little bit of common sense travellers know where to go quickly and can move to and from the building with dispatch. But why should not that be done in the city of Montreal?

I raise this in conjunction with another matter and I am sure the minister will not blame me if I bring it up. I refer to the air agreements. There are some of us who are beginning to have apprehensions about what is likely to happen to the international airport at Montreal. The minister announced the other day an amendment to the United Kingdom air transport agreement and one of the bargains made in the agreement was that in exchange for certain rights which T.C.A. was to get in the United Kingdom and onward B.O.A.C. would get additional landing rights elsewhere, namely at Toronto.

Nobody is going to find fault with this but what I do become apprehensive about is that in the *Financial Post* of June 6, 1959 there is a statement to the effect that six trans-Atlantic carriers now landing at Montreal are seeking similar rights to go on to Toronto. If this is going to be the case, if the minister, the department and the government in their negotiation of air agreements make the situation such that the importance of Montreal from an air standpoint is going to be far less than it has been in the past, then I think that is a serious matter. I do not charge the minister with anything personal in this regard. I know that he has in mind the general development of aviation in Canada, as have his officers. On the oher hand, I do know that when you start negotiating across the table for changes in an air agreement you have to bargain here and bargain there. Where you give in here you must get something elsewhere, and if in the bargaining it is Dorval airport that is going to be left holding the bag then I am afraid that the situation will certainly be a serious one.

I protest as strongly as I can about the delays at the Montreal airport. I am not the only one protesting. Anyone who knows what is going on is doing the same thing. The press is very apprehensive about the matter and so are those people who are air minded. So are the air lines which have to rely on facilities in order to move travellers from one airport to another with dispatch and efficiency. I should like to get some information about the airport and ask the minister a few questions. In the first place, I believe it was in 1953 that I made the announcement in the house concerning the new Dorval airport and the estimate of costs. Then, in 1954, I believe, my successor, the Hon. Mr. Marler, announced additional plans and stated that partial plans only were ready at the time, that no general plans were made and that the department felt that that was the best procedure. I think he also gave an estimate of the costs at that time.

In 1956 and 1957 real progress was made. Things moved pretty fast and from nothing but a foundation we began to see indications of what the building would look like. I believe that in 1957 the deputy minister thought that the work would be completed in 1958 but that the installation of electronic equipment and getting the premises ready for the air lines would occupy several months in 1959, clearly leaving the impression that the airport building would be ready for business and for operations in 1959. The other day, in answer to a question which I asked the minister, and I will leave out the personalities, he announced that the building should be finished in 1960. In my opinion this is not satisfactory. I should like to know why it is that there are so few men employed. I may be wrong in the statement I am making but this is the information I have and the minister will correct me if I am in error.

I am informed that as of June the Foundation Company of Canada indicated that they only had 47 men on the job and all the other subcontractors had less than 50. Anyone knows that a building of that size and type would require at least 300 to 400 men at the present time. If these facts are so, I do not know why this is the case but I think the house is entitled to an explanation.

I am also disturbed about the effect that the air agreement is having on the position of T.C.A. As the minister knows, T.C.A. has its head office in Montreal. Both the Canadian National and the Canadian Pacific have their head offices there. IATA and ICAO have their head offices there. It is really the headquarters of aviation in Canada. It has been stated in a committee of the House of Commons that one decision of the government, without going into it in detail and therefore making the matter contentious, will have the effect in 1959 of reducing T.C.A.'s profit position by about $1½ million and in a full year by approximately $3 million. If that is the case, then the decision which was made concerning the amendment of the air agreement with the United Kingdom will, I am afraid, enhance the deficit position of T.C.A. that much more.

I have perhaps been too long on this, but I wondered whether the minister would not be good enough to summarize the position in so far as Dorval is concerned. What was the first estimate? What was the next estimate? What was the first estimate made in 1953? What was the estimate made in 1954? Were there any additional estimates made from that time until now? How many contracts have been awarded, and what are those contracts? I know the last question is not fair, in so far as supplying the information today is concerned, but perhaps the minister might table it at a later date. What are the various subcontracts that have been given? What is the present progress on all these subcontracts? What has happened to the representations which were made from both sides of the house for the airconditioning of the airport? It may be that has a bearing on the whole subject.

What progress has been made with regard to the installation of these facilities? Can the committee take it now, as an assumed fact, that the new airport will be ready for operation in 1960 as the minister indicated earlier? I would appreciate it if I could get answers to these questions.

Mr. Hees: Yes, I am glad to be able to say we feel confident the airport will be ready for operation next year. I am glad to assure the hon. member that the work is going ahead. As he has said, there has been a temporary slowdown lately and this was caused by certain holdups at treasury board. They have all been overcome and the contracts have been passed. The work is going ahead.

I might give some information on the details. The terminal building itself is in an advanced state, with the office floors and the basement virtually completed, the remaining work being related to the finishing off of the public waiting room and airline operating space on the main and mezzanine floors. This work is now proceeding. In addition, there remains completion of the main power plant installation in the building, the construction of the fingers and aeroquays, the installation of the hydrant refuelling system, the construction of the new main heating plant which will serve the building and the whole airport, and the paving of the apron in front of the building. The first stage of tender calls in connection with hydrant refuelling work and the heating plant is under way, and the final stage of tender calls will go out shortly. The plans for the fingers and aeroquays are at present being modified. Initial plans for this purpose, while satisfactory in concept, had to be studied in detail from the point of view of cost of construction in relation to the overall cost and revenue position of the terminal as a whole. It was found that the cost of the structures would be rather high and would make it difficult to maintain our objective of self-sufficiency of operation and decision was taken, without varying the concept, to try to modify the plans as regards construction costs. This planning should be completed during the summer, so that construction work may commence thereafter in time to permit the opening of the building, as I previously stated, sometime next year.

With regard to the new air agreement giving B.O.A.C. the right to go into Malton, I might say that we did not seek to enter into any new air agreement with the British. We have been under considerable pressure, ever since I came into office over the past two years, to do so. Talks finally took place just last spring and, as I say, we were under great pressure. I think the minister understands these matters very well. It would have been impossible for us not to conclude the agreement which he has mentioned.

Mr. Chevrier: Thanks for the compliment.

[Mr. Chevrier.]

Mr. Hees: It shows the esteem in which I hold the hon. member. What Canada has received as her part of the agreement was simply an attempt to balance up the granting of landing rights at Malton to Great Britain. The fact that certain airlines will be flying into Malton instead of into Dorval, I can assure the hon. member is no responsibility of the government. It is the result of decisions of the airlines themselves as to what airports they make their flights.

I can assure the hon. member we look upon Dorval as a very important airport. We are in no way trying to undermine it. I regret at the present time the people who use Dorval airport are inconvenienced because of a lack of space. The reason that we enlarged the temporary building in Toronto is that the new airport there will not be ready for some four years. I am advised we have also enlarged the trans-Atlantic terminal in Montreal. Perhaps we should have taken steps a year or so ago to enlarge the present air terminal building in Montreal. I am advised that the domestic space at Dorval has been enlarged also.

I do agree with the hon. member for Laurier that there is considerable congestion there. I use the airport a great deal myself, and I know the conditions. I am very sorry it is so, and I can assure him we are pressing on just as hard and as fast as we can to complete the new air terminal building. It will be a good one, and I feel that satisfactory progress will be made in the near future. There has been a slowdown but, as I say, that has been overcome and we feel confident that the new air terminal will be opened next year.

Mr. Chevrier: I wonder if I could follow that up with just one or two questions. What is the present estimate of the cost of the building?

Mr. Hees: The estimate of the cost of the building itself is the same as I gave last year, between $15 million and $16 million. All the other facilities I have mentioned will bring the total to somewhere between $25 million and $30 million.

Mr. Chevrier: What was the original estimate of the cost of the building in 1953?

Mr. Hees: I am advised that there were no plans drawn in 1953. I am unaware of the original estimate, so I will see if I can get it.

Mr. Chevrier: I understood there was an estimate made and announced in 1953, and another in 1954 by your immediate predecessor.

Mr. Hees: I am advised that the first figure after the completion of the plans was $12 million plus.

Mr. Chevrier: What year was that?

Mr. Hees: There was an earlier estimate that was lower, but that was the first estimate after the first set of plans was completed, and that would be, I think, 1955.

Mr. Chevrier: May I ask just one or two other questions? Why was it found preferable to give the contract in various parts rather than one whole contract?

Mr. Hees: I am advised that this was an attempt by the previous administration to get the work started sooner.

Mr. Chevrier: How many contracts were given? Perhaps I should not press for that because that is demanding too much information, but perhaps the minister could—

Mr. Hees: I think we have got it here.

Mr. Chevrier: All right.

Mr. Hees: The contracts which have been allotted to date are as follows:

Excavation, piling and foundation: Canamont Construction Co.—August, 1955—$1,126,496.
Structural steel: Dominion Bridge Co.—May, 1956—$1,134,035.
Curtain wall: Williams & Williams (Eastern) Ltd.—September, 1956—$1,700,000.
Flooring, steel decking etc.: Canamont Construction Co.—June, 1957—$1,136,000.
Cut stone (supply only):—Deschambault Quarry Corp.—$171,000.
Granite (supply only): Adru Granite Inc.—$68,829.
General (finishing) contract: The Foundation Co. of Canada Ltd.—$8,508,079.

Mr. Chevrier: The minister has said that this was the plan followed by the previous administration and I believe this is the case. How many of these contracts were given by the present administration?

Mr. Hees: Only the general finishing contracts.

Mr. Chevrier: Does the minister mean that all the other subcontracts were given before he came into office?

Mr. Hees: As far as I can see from these figures before me.

Mr. Chevrier: Is this policy of dividing up contracts for one building into several contracts followed in other cases in the Department of Transport, say in the case of Uplands?

Mr. Hees: I am advised that this is not the case in the smaller contracts, but at Malton we did separate excavation and steel from the other parts.

Mr. Chevrier: It is a fact, is it not, that that is a better method of procedure because it should allow one to get on faster with the work rather than wait until all the plans are ready and get out one contract.

Mr. Hees: That is correct.

Mr. Chevrier: I was somewhat nonplussed at the statement made by the minister that delays occurred because of the treasury board. Could the minister say how long these lasted and why these hold-ups took place at the treasury board?

Mr. Hees: Because the treasury board now requires to be given detailed economic studies at the time any additional expenditures are recommended so that the board can get a comprehensive idea of the whole picture.

Mr. Chevrier: Does that mean that every submission, even for a progress payment, must be accompanied by one of these economic studies?

Mr. Hees: Not for progress payments but for authorization of additional funds.

Mr. Chevrier: Am I right in assuming that when a subcontract is completed and a final payment is due, say in the case of the cut stone or curtain walls—I have forgotten the figures given by the minister, but supposing the amount was $1,500,000—would the treasury board in connection with each one of those subcontracts make an economic study of the situation before authorizing payment?

Mr. Hees: No. The items the treasury board required to be held up for a complete study were finishing the ground floor, the construction of the corners at the fingers, the power plant installation and certain extras such as additional loud speaker and electrical equipment.

Mr. Chevrier: Why were those studied and not the others?

Mr. Hees: This is a new procedure which has recently been introduced.

Mr. Chevrier: A final question. I cannot agree with the minister's statement that amendments to air agreements are not the responsibility of the government but are the responsibility of the air lines.

Mr. Hees: If I conveyed that impression I conveyed the wrong one. What I intended to say was that if the air lines such as the air lines which are presently using Dorval only, intend to use Malton as well and split their flights between the two, that is a matter for their decision.

Mr. Chevrier: I realize that these airlines should make representations to the minister suggesting an amendment or opposing it, but surely a decision having been taken to negotiate the agreement, whether with the

United Kingdom or Australia or some other country, when that agreement is enacted and signed it becomes the responsibility of the government.

Mr. Hees: There is no question about our accepting that responsibility. We do of course.

Item agreed to.

Mr. Hees: Before we proceed to the next item might I temporarily revert to the first item to give these answers which I promised to supply?

The Acting Chairman (Mr. McGee): Has the minister permission to do this?

Some hon. Members: Agreed.

Mr. Hees: I was asked by the Leader of the Opposition several questions about Mr. Clare, the evaluator employed at Malton. Mr. Clare made twelve evaluations for the department. He was paid a total of $3,001.43 by the department.

I have here also a list of the appraisals which Mr. Clare made. I was asked to supply this information, but instead of taking the time of the committee by reading it, I ask permission to have it included in the record.

The Acting Chairman (Mr. McGee): Has the minister permission to include this material in today's edition of *Hansard*?

Some hon. Members: Agreed.

(Editor's note: The list referred to follows):

Property Owner	Description of Property	R. A. Davis	E. A. Lepage	H. S. Hare	Mr. Janossy	E. Clare	Departmental Final Offer
		$	$	$	$	$	$
Gilbert White	Pt. Lot 5, Con. 7 Twp. of Toronto..	—	4,600.00	5,660.00	—	11,400.00	7,850.00
Fred Hale	Lot 12, R.P. 360	14,000.00	15,100.00	—	—	21,804.25	19,400.00
V. Salovaara	Lot 33, R.P. 360	11,825.00	12,900.00	—	—	17,066.50	15,175.00
J. Spence	Lot 35, R.P. 360	12,710.00	12,700.00	—	—	18,700.00	16,185.00
J. S. Whittington	Lot 32, R.P. 360	11,775.00	13,000.00	—	—	17,376.50	15,580.00
E. Whitley	Lot 38, R.P. 360	15,375.00	17,100.00	—	—	24,442.00	20,890.00
R. Stuart	Lot 10, R.P. 360	16,000.00	14,000.00	—	—	26,600.00	20,492.50
F. Murray	Lot 9, R.P. 360	16,355.00	18,200.00	—	—	25,725.00	23,266.00
Ruth Smith	Pt. Lot 3, Con. 7	—	—	—	—	33,730.00	24,300.00*
G. Hatton	Lots 40 and 41, R.P. 360	24,577.00	—	—	—	32,500.00	30,935.00*
Mrs. A. Wales	Lot 1, R. P. 360	11,800.00	—	—	—	22,225.00	17,600.00
Mrs. A. Drew	Pt. Lot 5, Con. 7	9,100.00	—	—	7,500.00	17,330.00	11,200.00

*Settled at this amount.

393. The St. Lawrence river joint board of engineers—Canadian section, $61,500.

Mr. Chevrier: May I ask what is the present position of the St. Lawrence river joint board of engineers? As the minister knows, the board was appointed by the government to supervise the plans and specifications, and this work has been carried on over the last four years. I presume that its duties have now come to an end or are about to come to an end. What will happen to the members of the board and what will their future duties be, if any? Is the board to be wound up?

Mr. Hees: They will remain until all power works have been completed, which will be in 1960 or in 1961 and they are carrying on with a reduced staff.

Mr. Chevrier: Meanwhile what is happening to the other body, the St. Lawrence river board of control? It was appointed by the international joint commission and falls under the jurisdiction of the minister and it carries on the work of the joint board of engineers after the seaway has been constructed.

Mr. Hees: It is still in existence but it has no staff of its own as a main body.

Item agreed to.

Canal services—

394. Administration, $128,500.

Mr. Johnson: Mr. Chairman, since I have heard the hon. member for Richelieu-Verchères inviting the Prime Minister to visit the Richelieu river in connection with the canalization of the Richelieu river, I would like to state here that I have already invited the Prime Minister to visit the Chambly canal and I expect a favourable answer. I would also like to invite the Minister of Transport to visit the Chambly canal. He would then be greeted royally and entertained as only the people of my riding can entertain.

Speaking of the Richelieu canal, I would like to refer the hon. Minister of Transport to the brief from the city of Sorel to the federal government for the modernization of the Richelieu-Champlain canal presented by a delegation presided over by Dr. Robert Fiset, mayor of Sorel, accompanied by many mayors from communities along the Richelieu banks in my constituency. This brief was supported by a delegation consisting of representatives of a number of United States and Canadian chambers of commerce, municipalities, service clubs and other interested groups and all of which are situated in the area to be served by the proposed improved Richelieu-Champlain canal. May I mention here a study made by Clayton Sinclair in the Montreal *Gazette* of Saturday, May 31, 1958, on page 4 of that issue. Mr. Sinclair gives a fair résumé of the situation on the Champlain canal. He says:

Like a cute youngster, the Richelieu canal has never been able to prove to its elders that it's growing up.

Industry is springing up along its shores but the function of the 409-mile water route, linking Canada's St. Lawrence river ports with New York city, is still basically the same as it was when it got its start 113 years ago.

One of the oldest canals in Canada, the Richelieu has stood by while other inland waterways took their turn at modernization.

Now, its boosters think it's about time that some serious thought is given the Richelieu system. In the past, they say, it's been a matter of governments preferring to leave traffic patterns as they were instead of destroying the beauty of the Richelieu setting.

Once, this was sufficient. But now, with industry spreading out from Montreal and above everything else, the development of Quebec's north shore gulf area, the Richelieu's potentialities are challenging.

May I add here that a recent announcement has been made that an important steel plant is being built at Contrecoeur near Sorel. These developments, together with more development either on the Quebec north shore or this part of the south shore from Sorel to Varennes would amply justify the government in undertaking and examining the possibility of developing the Richelieu seaway from Sorel to St. Johns, via the Chambly canal. Speaking of the Chambly canal, may I add a little information which would justify the government in looking to see if it is possible to widen the Chambly canal at the seaway between Chambly and St. Johns.

In the same study by Clayton Sinclair we read:

Chief among these—

That is, those who are using the Richelieu river.

—is the north shore gulf region, where iron ore for Pennsylvania smelters, newsprint for New York printing houses, and aluminum, would originate.

Eastern paper mills produce one million tons of newsprint annually for the New York area, of which only 26,000 tons now move by the short Richelieu route.

Added to this are the huge annual shipments of iron ore from Seven Islands and other ore ports in the gulf.

Closer to home, Sorel, at the mouth of the Richelieu, each year ships 250,000 tons of titanium slag and pure iron to American Atlantic ports.

Mr. Chairman, the Richelieu lies about 43 miles down river from Montreal. It is a quiet river which occasionally floods its banks in the spring, but it is serene for what is the remainder of a seven-month navigation season from the latter days of April to early November. This justifies my contention that we should look forward to the development of this seaway canal along the Richelieu river.

May I call it six o'clock?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

(Translation):

Mr. Johnson: Mr. Chairman, while we are dealing with the canal services item, I wish to point out to the minister a problem we are faced with in my constituency and which is related to the problem discussed this afternoon by the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis).

Along the Chambly canal, which runs between Chambly and St. Johns, there are many pieces of land that are of practically no use to the federal government at the present time. Under the circumstances, it would be fair and normal for the Department of Transport to rent this land for a certain consideration, not a nominal rent, but a reasonable amount.

We have parcels of land at Chambly that serve absolutely no purpose to the federal government, and perhaps I should recommend to the minister to have the matter looked into so as to determine whether it might be possible, as is done in St. Johns, to rent this land to private individuals, who might use it to build a club house and operate a boating club, or a repair shop, a restaurant or some other services which would be of use to people interested in various water sports.

That is more or less what was done at St. Jean, in the case referred to this afternoon. Those people are ready to sign a lease with the federal government, involving quite a large amount. Thus the federal government will be getting an income from this land, which so far has not been in use and has brought no income to the government or the Department of Transport.

It so happened, in the case referred to this afternoon by the member for St. Jean-Iberville-Napierville, that enterprising people decided to invest money to build a club house, an equipment store, a pleasure yacht and outboard motor repair shop, a restaurant, thus making various services available to yachtsmen, and particularly to those who own yachts on which they can live and which constitute some sort of a house.

That is being done in order to serve the people of the locality, that is the town of St. Johns—and that is what could be duplicated at Chambly. What have they done in St. Johns? They have reserved, or rather they intend to reserve, out of the land that belongs to the federal government, a parcel to be used as a "slip" which would allow those who are not members of the proposed yacht club to go down to the river and moor their craft.

This takes on a quite particular aspect in our region. We are very close to the United States border; many of our merchants do a brisk business with American tourists. Many tourists take the Richelieu to—

(Text):

Mr. Chairman, I should like to hear myself speaking not because I like the sound of my own voice but because I should like to hear whether or not I am in fact talking. Some hon. members in the chamber are speaking more loudly than I am. I understand that to many this may be just another case, but to my constituents who number about 25,000 it is a most interesting and important problem.

(Translation):

As I was saying, Mr. Chairman, those tourists coming into our area contribute to its prosperity. They moor their craft at Sorel or elsewhere along the Richelieu river, more particularly at Beloeil, where the yachting club has a very beautiful site. They also tie up at Chambly and like to stop at St. Johns, as it is still nearer home for them.

As far as the town of St. Johns is concerned, some protests appeared in the American press, with regard to the way tourists coming with their yachts were being given the cold shoulder. That is what was printed in an American paper. Now, a group of efficient businessmen in St. Johns want to remedy those conditions. They are on their way to obtain from the government, which is to be commended for it, the permission to operate that yachting club.

When the season is favourable to swimming, the yachting club of St. Johns moves the yachts from their wharves or from their reserved moorings, thus allowing the children to bathe more conveniently without any danger of accidents and particularly without being exposed to refuse resulting from people living on the yachts.

Moreover, that same yachting club allows boats with outboard motors to put down buoys quite near to the spot where children, and even grown-ups are bathing.

Therefore, Mr. Chairman, I am surprised that the hon. member for St. Jean-Iberville-Napierville should have considered it necessary to imply—perhaps he did not do it on purpose, but he gave us that impression—that the people he named this afternoon, i.e. the Goineau brothers, proposed to build a boating club for purely selfish reasons, namely to make a few dollars at the expense of the people of St. Johns. Having asked for in-

formation, I found that, far from having concocted such a deal with the help of the Conservative candidate, Mr. Robert Sauve, those people had undertaken the negotiations with the support of various local personalities and a number of people interested in yachting.

Those people also claimed that the Goineau brothers had taken steps in 1949, and that they had, at the time, the support of the Hon. Alcide Cote, former postmaster general, as well as that of a former member, Mr. Armand Menard, both of whom also took steps in that direction.

I even learned that in 1956 a delegation of the junior board of trade, formed of about six representatives headed by one Mr. Lemaire, had come to meet the authorities of the Department of Transport to discuss that problem and that my good friend, the hon. member for Dollard (Mr. Rouleau), had considered it his duty to encourage those people, together with the then member for St. Johns, Mr. Armand Menard.

I mention those circumstances in order to re-establish the facts, since I had some knowledge of them, to a certain extent, and because I am surprised that a member should, in this way, level charges in the house against persons who are not here to defend themselves, but who are doing their best to conclude an honest matter in the general interest of the population of St. Johns, and who have been openly taking steps for the last ten years. If those persons have at last succeeded, so much the better: it is all to the credit of the government, it is all to their credit to have persisted, as it is to the credit of the former minister Cote, who took personal steps in that direction. Moreover, it is all to the credit of former member Menard, and of the member for Dollard, who was not afraid to commit himself with that delegation. However, it is less to the credit of one person who, for fear of losing the political merit of such action, has accused someone who is not here in this house, a Conservative candidate who as a good citizen of St. Johns made representations and endeavoured to reach a fair, equitable and especially profitable solution, since the federal government is now renting lands which previously yielded nearly nothing.

(Text):

Mr. Martineau: Mr. Chairman, while we are on this item of canals, I should like to refer the minister to a project of considerable interest and importance to the residents of the city of Ottawa and also of the Ottawa valley generally. I refer to the project to make the city of Ottawa an ocean port. I believe that a few weeks ago the minister received a delegation which was representative of a large section of the Ottawa valley and included officials from the city of Ottawa, the city of Hull, the eastern Ontario development association, the federation of chambers of commerce of western Quebec, the county officials of the counties of Pontiac and Renfrew, officials of the Ottawa river development association and many others.

I know that this project is linked with a far larger project in magnitude, namely the making of the Ottawa river, lake Nipissing and the French river a seaway. In such a case the seaway would be the strong right arm of the present St. Lawrence seaway. It may not be a project that is ripe at the present time and at this particular moment I do not want to enter into all of the technical aspects of the question. Suffice it to tell the committee that this matter has been explored and looked into by engineers of the Department of Transport and also by other competent authorities since as far back as 1885. Even at that time, without the technical means at their disposal that we have today, it was found that the project was certainly feasible and possible.

What prompts me to bring this matter to the attention of the committee at the present time is that the province of Quebec at the present time is contemplating harnessing the rapids at Carillon. The province of Quebec expects to spend a sum perhaps as high as $200 million on that project within the next few years. There are locks at Carillon but they have a draft of only about 8½ feet. They will have to be replaced, and if they are to be replaced I submit that the department should investigate seriously the possibility of replacing them with a draft of sufficient depth to accommodate commercial navigation and also deep-sea navigation. By so doing there will be a direct connecting link between the capital city and the present seaway, and that would certainly add greatly to the advantage of the industrial development of the Ottawa valley and would also accommodate industries which exist today.

I refer to one case especially, namely the Hilton mines, which at the present time are shipping iron ore by railway to Toronto and to parts of the United States. With the deepening of the Ottawa river channel from Ottawa to Montreal the ore could be shipped by water, thereby effecting a considerable saving and bringing about other advantages. That is the reason why the numerous associations I mentioned at the beginning of my remarks interviewed the minister a few weeks ago. They think the time is now ripe

to take the first step, the relatively simple step, of deepening the Ottawa channel for a distance of 119 miles. It is estimated that the cost will amount to between $15 million and $20 million. The first step that can be recommended now is the replacement of the locks at the Carillon dam.

I would suggest, Mr. Chairman, that the minister look into the possibility of appointing some engineers to investigate this matter and to report to him, and he in turn could report to the committee and to the house. I think in so doing we shall be taking the first step toward the improved development of the Ottawa valley and indeed of the entire country because, as appears now, in a few years the present St. Lawrence seaway facilities may become inadequate. If that should happen, the ultimate route would normally be the Ottawa river, lake Nipissing and the French river which, after all, were the first water courses over which the pioneers and the developers of this country passed, and which were in days gone by the great navigational streams of our country. By looking forward in such a way we shall be planning in a logical way for the future development of our country.

Mr. McMillan: Mr. Chairman, I want to take up two or three matters under item 394. Actually, they now come under the jurisdiction of the St. Lawrence seaway authority. The Department of Transport reached an agreement with the municipalities of St. Catharines, Merritton and Thorold concerning the clean-up of the old Welland canal which runs through these three municipalities. One contract was completed earlier this spring above the municipalities, but I had expected, since the agreement was reached some time last fall, that the work within the municipalities would be under way early this spring.

The minister announced in the house that this work was being taken over by the St. Lawrence seaway authority and I was wondering whether that was the cause of the delay. Conditions in that area are particularly bad at this time. The canal carries raw sewage as well as waste products from the mills, with very little dilution. The sewage collects in pondages along the canal, and I must say that the odour is certainly very disagreeable in this warm weather. I do not think I could use adjectives strong enough to describe it but the canal certainly smells to high heaven. There is one saving grace, however. In humans the sense of smell soon tires. I think that probably is a good thing as far as the Department of Transport is concerned. Otherwise a lot of people would be down here complaining to the department. I do not think it is a healthy condition for the area. Children play near the canal and sometimes they even fall in. I have been told of cases lately where that has occurred. It seems to me that this work should be under way. I should like the Minister of Transport to tell me how soon the contracts will be let and if any of the municipalities have been holding up the work.

There is one other question I should like to ask with respect to Welland ship canal employees who were formerly employees of the Department of Transport but are now employees of the St. Lawrence seaway authority. Do they retain their full employment, seniority and pension rights under their new employer?

Mr. Hees: Yes, Mr. Chairman. First of all, with regard to the second Welland canal clean-up, I am pleased to be able to report that tenders for the construction of concrete conduits and miscellaneous grading in the towns of Thorold and Merritton were sought early in June. The closing date for bids is June 23. This represents the second stage of the work. It is expected that tenders will be called in the fall for the third stage which will cover landscaping. The answer regarding personnel of the Welland canal now taken over by the St. Lawrence seaway authority is that they retain all rights formerly held under our canals branch.

Mr. Chevrier: May I ask one or two questions about canals? What is the future of the Soulanges canal?

Mr. Hees: We have not yet determined that. It is under study at the present time.

Mr. Chevrier: During the navigation season there will be no employees on the Soulanges canal other than I presume, watchmen.

Mr. Hees: Just watchmen and the maintenance staff.

Mr. Chevrier: What is the position with respect to the Lachine canal?

Mr. Hees: It is being operated by the seaway authority at the present time.

Mr. Chevrier: I want to say a word about the Lachine canal and I understand the position is the same on that part of the Cornwall canal which remains in operation. My understanding is that industry is to be serviced on the Lachine and Cornwall canals as long as 14-foot draft ships desire to go into these canals. But I am also informed that instead of having the usual lockmen on the canals the lockmen are staggered and that where there were three or four or five groups of lockmen there is only one group now because of the changed position. I am informed that

on the Lachine canal, for instance, there are three lockmen on duty and that when a ship comes through the lockmen jump in a motor car, rush up to the next lock, lock the ship through and then continue to do likewise until the ship has passed through all the locks. Let me tell the minister that is not the proper way for the government of a country such as Canada to operate a canal. I think there should be the same service as there was before on the Lachine canal and other canals that are in operation. I do not mean that you should have the same number of lockmen. That would not be a logical thing to do but I think that there should be the requisite number of lockmen and I do not think the lockmen should be staggered in the way in which it is being done now. I know there are protests in my area about it.

Mr. Hees: In answer to that question, as the hon. member knows the traffic is greatly reduced. I am advised that this method is working satisfactorily and that there is no hold-up of ships going through the canal.

Mr. Chevrier: I know there is no hold-up but there are protests from the men. Protests from the lockmen have been brought to my attention with respect to both canals. I would ask the minister to take another look at the situation with a view to seeing if something better cannot be done.

Mr. Hees: I am always glad to take another look.

Item agreed to.

397. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority with the approval of the governor in council, and to authorize, notwithstanding the Financial Administration Act or any other act, the disbursement by the authority of revenues derived from the operation and management of such canals and works, $2,934,815.

Mr. Chevrier: Will the minister explain this vote?

Mr. Hees: We carry the funds in this vote for the operating deficit and capital requirements of the Lachine, Sault Ste. Marie and Cornwall canals.

Mr. Chevrier: Does this mean that from now on there will be a vote in the Department of Transport estimates that will look after canals which are under the jurisdiction of the St. Lawrence seaway authority or that have been assigned to the St. Lawrence seaway authority and which are not provided for under the St. Lawrence seaway authority vote?

Mr. Hees: That is correct.

Item agreed to.

[Mr. Chevrier.]

Marine services—

398. Marine services administration including agencies, $849,800.

Mr. Bourget: The minister will recall that during the month of April I put a question on the order paper regarding the case of Octave Bujold of Chandler, Quebec, an employee of the Department of Transport who was dismissed. The question was divided into six parts and was as follows:

1. Was one Octave Bujold of Chandler, Quebec, employed by the Department of Transport?

The answer was "yes".

2. If so, in what position and for what length of time?

The answer was:

As wharfinger, Chandler wharf, Quebec, from August 13, 1937 to October 31, 1958.

The third question was:

3. Was he dismissed from this employment?

The answer was "yes."

4. If so, on what grounds and on whose complaint?

The answer was:

(a) Participation in politics; (b) the hon. member for Gaspe.

The fifth question was:

Was an investigation conducted into the circumtances surrounding the dismissal?

The answer was "yes".

6. Was the employee given an opportunity to be heard?

I should like the minister to bear this question and answer in mind. The answer was "yes". A little later I put a notice of motion for production of papers on the order paper asking for a copy of all letters, notices, declarations, affidavits and other communications leading to the dismissal of Octave Bujold of Chandler, Quebec. This motion was passed by the house on April 27 but so far no documents have been tabled. After the answers were given to my first questions, as found at page 2924 of *Hansard* for April 21, I got a letter from Mr. Octave Bujold saying that he had never been informed of an inquiry being conducted and had never been asked to appear before a board of inquiry or before anyone in charge of such an inquiry. After receiving the answer from the minister that the employee concerned was given an opportunity to be heard I find it strange that this is denied in a letter and affidavit I have received from this man. I read the affidavit in French:

(Translation):

I was never questioned by any investigator and was never given the opportunity to be heard on the matter.

I am absolutely unaware of the accusations that have been levelled against me, nor do I know the names of those who would have made such accusations.

I have never participated in any political activity, neither in the 1957 election nor in that of 1958.

(Text):

I do not want to accuse the minister because I know he is not the only person responsible. Nevertheless, I find it strange that this man, who was accused of taking part in political activities, did not have a chance to appear before a board to defend himself, particularly after the minister stated that he was given that opportunity. Surely, the minister must have some comments to make.

Mr. Hees: Mr. Chairman, in making that reply I was acting on the advice that this man had been given an opportunity, which is the procedure I require in these cases. I shall be glad to look into this case for the hon. member and find out just what did happen. I shall be in touch with him then, as soon as I have that looked up. I appreciate his having drawn this to my attention.

Mr. Bourget: I would also bring to the attention of the minister that Mr. Bujold, in March I think it was, wrote a letter to the minister. I should like the minister to inform the house if he has answered that letter.

Mr. Hees: I am afraid I do not know offhand, Mr. Chairman. I write and sign anywhere from 100 to 150 letters very day, but I shall be glad to check that up and let the hon. member know.

Item agreed to.

Marine service steamers—

399. Administration, operation and maintenance, $15,957,187.

Mr. Chevrier: How many steamers are there now in existence, and how many are being constructed?

Mr. Hees: We have in the department 200 ships of all kinds, including Arctic landing craft, and approximately 33 seagoing vessels.

Mr. Chevrier: How many of those are under construction?

Mr. Hees: Those are in operation, Mr. Chairman.

Mr. Chevrier: I understand that there are some new ones.

Mr. Hees: We have 17 under construction, including ferry vessels.

Mr. Chevrier: How many of the 17 are in the Montreal and Quebec districts?

Mr. Hees: Six, Mr. Chairman; four in Quebec; one at Sorel; and one in Montreal.

Mr. Chevrier: These are new ships?

Mr. Hees: New ships, yes.

Mr. Chevrier: Perhaps I could add a word in connection with another matter. Where is the *Labrador*, which was taken over from the department of defence, and what are its duties at the moment?

Mr. Hees: She is leaving Halifax in the near future for Arctic patrol and convoy duty.

Mr. Chevrier: Does she do duty in the far north with the *Howe* and the *d'Iberville*?

Mr. Hees: No, she is operating separately. She is going to Thule, in Greenland, to Foxe basin and to Baffin land. Part of this work is for the United States air force.

Mr. Chevrier: This is the vote, of course, which covers the icebreakers. I wonder whether the minister would not, briefly, give the committee some indication of the icebreaking operations upstream from the city of Quebec?

Mr. Hees: Yes, Mr. Chairman. The pattern that we have followed in icebreaking between Quebec and Montreal is related primarily to the prevention of flood dangers in the Montreal area and helping local river ports. As I indicated, the river from lake St. Peter to Montreal does not remain open unless the icebreaker fleet is capable of keeping the channel open. It has been normal for us to use three icebreakers from Quebec up to maintain a position from which the channel could be opened in time to prevent serious flooding that could otherwise occur.

In mild winters this can be done by keeping the channel open to Montreal for the greater portion of the way. In some severe winters the main objective is to work up from lake St. Peter to Sorel continuously and, in the latter part of January, drive up to Montreal in time to reach it before the flooding danger occurs.

Mr. Chevrier: How did the operation work out this winter, for instance? I understand the icebreaking operation began this year much earlier than is the custom. I should like to know what the progress was upstream from Three Rivers, for instance?

Mr. Hees: Icebreaking this year was very heavy in the early part of the season because of the early, severe freeze-up, but much better later on. Because of the heavy ice in the early part of the season we had one extra icebreaker up in that area.

Mr. Chevrier: Which one was that?

Mr. Hees: The *Montcalm*.

Mr. Chevrier: Is it the intention of the minister to increase the fleet of icebreakers now that the St. Lawrence seaway is in operation? As the minister knows, there was a great deal of confusion at the opening of navigation as a result of ice conditions and as I indicated, the lack of co-ordination between the various branches of the Depart-

ment of Transport. I think I am safe in saying that there was not the co-ordination that should have existed between the ship channel branch, the national harbours board and the St. Lawrence seaway authority. I can understand how that could arise.

I am wondering if, in order to avoid that next year, it is not possible to have some sort of liaison between the three branches so that there will be harmony in the operations. There is no doubt that during the course of the spring, prior to the opening of navigation, there were ships all over the place. There were ships that came up expecting to enter the seaway at a fixed date which were not able to do so. There were ships at Montreal; there were ships at Lanoraie; there were ships at Three Rivers; there were ships anchored all through lake St. Peter. It seems to me if these ships coming in to use the seaway are not given some indication as to when navigation is likely to open, and there is no co-ordination between Montreal harbour, the ship channel and the national harbours board, then there is likely to be confusion.

I can understand how, at the beginning of a new project, it is difficult to have everything working as smoothly as one would expect. But I hope that, as a reult of what has happened during the course of this season and the opening of navigation, experience has been gained. I come back to my original question. Is it the intention of the minister to augment the fleet of icebreakers from Quebec to Montreal?

Mr. Hees: No. Our general icebreaking fleet will be increased this year but it is not planned to increase the number of icebreakers used from Quebec up. I may say that the hon. member's suggestion with regard to better co-ordination is a good one and we will look into the matter very carefully indeed.

Mr. Chevrier: May I go a step further? The minister was probably not here when the estimates of the Department of Public Works were passed and the Minister of Public Works gave some indication of the port facilities on the north shore and the establishment of a new station in lieu of Pointe au Pere. The question that arises now is this. Are icebreaking operations required to keep some of these ports open all year around. For instance, I am thinking of Rimouski and the ports along the north shore such as Baie Comeau and Seven Islands. I understand that there are one or two new ports to which consideration is being given by the Department of Public Works. I presume these ports are serviced by the Department of Transport in so far as the movement of traffic is concerned and that when traffic is required to be moved out or when traffic is on the point of coming in during the winter months it is the Department of Transport that is called in to help. What I am asking now is this. What are these points where icebreaking operations are required and what are the vessels assigned to this work?

Mr. Hees: One of our new icebreakers is going to be assigned to work all winter in that area.

Mr. Chevrier: Which one is that?

Mr. Hees: It has not been decided yet, but it will be one of the new ones. It probably will be the *Montcalm*. I am advised that the ports remain fairly well open and we are usually called upon to provide only convoy assistance. We shall be providing more assistance than we have been providing in the past because of this icebreaker that will be stationed there all the time. We anticipate being able to look after the needs of that important area.

Mr. Bourget: How many icebreakers will be assigned to help winter navigation between Quebec and the lower St. Lawrence?

Mr. Hees: There was one in operation in that area this year and we will be adding one during the next year, that is to say during the coming winter. That will make two of them.

Item agreed to.

400. Construction or acquisition of vessels and equipment, $13,575,000.

Mr. Broome: Mr. Chairman, I should like to draw the minister's attention to a press dispatch appearing in the *Journal of Commerce* under dateline of Victoria, B.C., reading as follows:

> Canada's status as a shipbuilding nation is "disintegrating" and faces an uncertain future after completion of present contracts, according to Harold Husband, president of the Canadian shipbuilding and ship repair association and of Victoria Machinery Depot Ltd.
>
> Attending the trial run of the recently completed R.C.N. destroyer escort Terra Nova, Mr. Husband saw an—

And this is in quotation marks.

> —"especially dark future for the west coast shipbuilding industry". Out of 13 vessels under construction for the Department of Transport only 2 are being built on the west coast, he said.

We are all alive to the necessity of maintaining ship repair facilities on both coasts. It is impossible to maintain these repair facilities on the basis of repairs only. They must be supported by new construction. The Department of National Defence realizes the national importance of maintaining such

facilities on both coasts and naval vessels are distributed in a fair proportion between east and west. What I am asking is that the minister take into consideration the requirement of maintaining these services on the west coast. Although it is well recognized that costs are higher on the west coast, yet the advantages to be gained make it almost imperative that within reason these higher costs be disregarded and that a portion of the ships be set out for west coast building. I do not like to remind the minister, but I will do so—that the higher wage rates on the west coast came about through wage controls during wartime when, under directives from Ottawa, wages were arbitrarily increased to higher levels on the west coast than on the east coast. I should like to point out that the officials of the Department of National Defence assert that ships built on the west coast are well worth the premium.

Mr. Pickersgill: Before the item carries I should like to say that I was pleased indeed by the minister's announcement this afternoon that an icebreaker was going to be stationed in St. John's. Is this one of the new icebreakers?

Mr. Hees: Yes.

Item agreed to.

Aids to navigation—

401. Administration, operation and maintenance, including fees for membership in the international organizations listed in the details of the estimates, $5,945,892.

Mr. Herridge: I should just like to make a few brief remarks on this item on aids to navigation because they are of growing importance in the constituency which I represent. I am referring particularly to the Columbia river, the upper and lower Arrow lakes, the Kootenay river, Kootenay lake and Slocan lake because of the considerable increase in the number of tugs and the increase in the number of small water craft, particularly those coming up the Columbia river from the United States. As I have said before this session, some may come from as far south as Portland being portaged around the dams in the United States south of the international border. Some come down the Kootenay river into Kootenay lake. Some come in by road from the various ports and then are launched at suitable launching places and other points on the Kootenay lake or on the river or on the Columbia river or the upper and lower Arrow lakes and Slocan lake.

There is an increasing need for better marking, and provision of more marking, particularly with respect to lights in the rivers and buoys and in some cases markers. I want to say that the people of the districts are pleased, particularly those interested in boating, that the department has marked the river between Castlegar and the international boundary. It was a most dangerous part of the river to leave unmarked. There were many craft coming up the river without much knowledge of the channel, the hazards and so on. They appreciate that improvement.

However I want to bring to the minister's attention the fact that it is necessary to have river marking between Arrowhead and Revelstoke. I might say the same applies to the marking of isolated rocks and things of that sort on the lakes. The local people locate these hazards and sand bars and so on and then press the department to do it. I think that is largely occasioned by the fact that the department uses employees of the Department of Public Works as agents and they are extremely busy indeed.

This matter of the marking of these lakes and rivers and looking after the lights is becoming increasingly important and requires constant attention. As I have said, I think it was five years ago I went down the Columbia and one of the captains told me there were 11 buoys out, a most dangerous situation. I was told they had been out for three months and there was nobody to replace them because the person who was paid to do it never went near the place. That was just because the persons who supervise this work are too busy with other work to check frequently. I am of the opinion that, particularly with respect to the southern interior lakes, possibly the time is coming when somebody should be especially appointed to have jurisdiction over aids to navigation. I think of high water on the Columbia, when a good many of these buoys are washed out. No one notices it for two or three months. A tug comes along or particularly a small craft from the United States, and the first thing you know it is on a sand bar. I think it might be in the interests of the public generally as well as for better administration if someone were given particular charge of watching these buoys, blinker lights and things like that on the interior lakes.

I am not blaming anyone for this situation, as years ago there was just the occasional blinker light or buoy, and so on, because the captains knew the routes. Intensive marking was not required as is required today to make the rivers and lakes safe for watercraft. I do hope consideration will be given to marking the river from Arrowhead to Revelstoke. For instance, last year about 85 small craft came up from the United States and 12 of them went to Revelstoke. I see them all if I am at home because they pass my ranch and many come in to see me. But out of the 12 which

went to Revelstoke, I heard four had their propellers badly damaged because there are no markers on the river. It is the type of river which needs checking every spring because buoys are washed out during high water and floods. Last year if the river had been marked at least 50 of the small craft would have gone on to Revelstoke, but most of them did not proceed beyond the head of the lake because they did not have the courage to face the journey ahead of them on a somewhat swift and unmarked river. I would urge the minister to have this matter checked. I have mentioned it to the officials in Victoria, as have the Revelstoke chamber of commerce and all the chambers of commerce down the lake to Trail. I have brought the matter up before, but at that time there was a shortage of funds and nothing could be done. But it is a most important matter for those using the river.

Mr. Hees: Mr. Chairman, this is an important point which the hon. member has brought up, and I will advise him that in Kootenay lake last year we put in 16 new beacons and we are putting in more this year. We are handicapped to a certain extent in this area because of a lack of hydrographic charts, and we put in new beacons when we received requests from local residents. As the responsibility for maintaining these beacons is that of the contractor who puts them in, we would appreciate it very much if the hon. member would let us know of any complaints where beacons go out of commission or disappear or are not maintained. We will be very glad to bring that matter immediately to the attention of the contractor and have the situation righted. Therefore we would appreciate any advice the hon. member can give us from any of the local residents if these beacons are not maintained properly.

Mr. Herridge: I thank the minister for the information he has given us, but when he says that the beacons are maintained by the contractor who puts them in, who is the contractor engaged to do that, because it must be local people?

Mr. Hees: I am sorry, I made a mistake. It is the buoys which are maintained by the contractor. We put in the beacons and maintain them ourselves.

Mr. Herridge: Has the minister information as to who is responsible for maintaining the buoys in the narrows between the upper and lower Arrow lakes at the present time?

Mr. Hees: I will have to get the name for the hon. member and I will give it to him.

Mr. Morris: Mr. Chairman, I wanted to say a word on this item about an area of the country which you, sir, as chairman, and my other colleague member for Halifax, and I both know well, and that is the generally overlooked island of Sable island. I do this because it is part of the federal constituency of Halifax, and there are a few short questions I would like to ask. On page 504, the details page of this item, I notice that the position of superintendent at Sable island is not to be included in the present year's estimates, and I wonder if the minister is in a position this evening to provide the committee with a brief description of the change in the administration which has taken place. I have in mind particularly the request that the committee be advised as to the continuation of the two lights. I do not wish to pursue the matter; I simply wish to be advised as to the status of the lights. There are two lights on the island, and I want to know the status of those lights.

Mr. Hees: I am advised that the marine life saving establishment is being discontinued, but the meteorological establishment is being continued and the lights are being maintained.

Mr. Morris: Are the lights manned or unmanned?

Mr. Hees: They are manned.

Mr. Morris: Both lights?

Mr. Hees: Yes.

Mr. Chevrier: Mr. Chairman, may I ask what the position is with reference to aids in navigation along the seaway? I know there was some discussion about this. The United States authorities wanted to handle them and I know we felt that the Department of Transport should do it. Who is doing it, where are the aids to navigation, and under what district does it fall?

Mr. Hees: The Department of Transport puts them in and maintains them, with the exception of the canal section, in which the seaway puts them and maintains them.

Mr. Chevrier: Where do you put the buoys?

Mr. Hees: At the Prescott agency.

Mr. Chevrier: Would the minister be good enough to tell us what international organizations are concerned in item 401?

Mr. Hees: Did the hon. member say "international organizations"?

Mr. Chevrier: Yes. The vote says:

—fees for membership in the international organizations listed in the details of the estimates—

But I am not able to find them on page 504, and I wondered what they were and what contributions Canada was making to them.

Mr. Hees: The first is the permanent navigational association of international congresses, $200. The contribution to the international association of lighthouse authorities is $462, and that is all.

Item agreed to.

402. Construction or acquisition of buildings, works, land and equipment, $5,132,100.

Mr. Chevrier: Would the minister give a general idea of what this $5 million vote is for?

Mr. Hees: This is the construction connected with marine agencies, that is the agencies themselves, lighthouses and houses connected with lighthouses. I have the breakdown here of the agencies if the hon. member would like it. The St. John's Newfoundland agency, $453,600; the Charlottetown, Prince Edward Island agency, $348,100; the Halifax, Nova Scotia agency, $654,500; the Saint John, New Brunswick agency, $1,124,500; the Quebec city agency, $1,505,200; the Sorel, Quebec agency, $171,500; the Prescott, Ontario agency, $535,350; the Parry Sound, Ontario agency, $191,000; the Selkirk, Manitoba sub-agency, $4,300; the Kenora, Ontario sub-agency, $5,600; the Victoria, British Columbia agency, $431,460; the Prince Rupert, British Columbia agency, $238,100 and the Fort Smith, Northwest Territories agency, $68,700.

Mr. Chevrier: Mr. Chairman, there is an item here I am unable to understand. Perhaps the minister could explain it to us. It seems to be different in 1959-60 than it was when I was the minister. At page 507 of the details there is a division as between the construction item of buildings and the construction of equipment; it totals $5,732,100. Then these words appear:

Less estimated amount by which actual expenditure on all projects may fall short of the total of amounts that may be required for each, $600,000.

How can you estimate in advance the amount by which an expenditure will fall short?

Mr. Hees: This is a request made by the treasury board to estimate in advance the unspent amount that we expect to have this year. I am advised it is a technique which was first developed in the estimates of the Department of National Defence.

Mr. Chevrier: Does it mean you cannot spend the $600,000?

Mr. Hees: That is right.

Mr. Chevrier: Then the vote, strictly speaking, is a vote of $5,132,100 less $600,000?

Mr. Hees: This is something which the treasury board insists that we do.

Mr. Chevrier: I appreciate that, but what is happening then is that parliament is voting $5,132,100 but you are not getting a vote of that amount?

Mr. Hees: They are in effect this year giving us a program of $5,732,100 but saying we can spend only $5,132,100.

Mr. Bourget: Can the minister inform the committee if there has been some discussion between himself and the Minister of Public Works regarding the transfer of the construction of buildings from his department to the Department of Public Works? The minister will recall that when the Minister of Public Works was sitting on this side of the house he was a great advocate of such a move. I am asking the minister if there have been talks about the transfer of the construction of public buildings to the Department of Public Works.

Mr. Hees: Mr. Chairman, the Department of Public Works does our main marine agency construction at the present time. That department also constructs our wharves for us and some of our northern housing.

Mr. Bourget: I am not particularly interested in wharves but as far as buildings are concerned I was wondering if the minister had discussed the question of transfer with the Minister of Public Works. I have always agreed with the Minister of Public Works that all buildings should be constructed by the Department of Public Works. It would be more in their line and I think the Minister of Transport would agree with me that it would also relieve his department of that kind of work.

Mr. Chevrier: Will the minister not answer? I know there is a reason why it should not be done.

Mr. Hees: I did not quite get the portent of the hon. member's question and I would ask him to repeat it if he would be so kind.

Mr. Bourget: The minister will recall that when the Minister of Public Works was on this side of the house he advocated each year that all government construction should come under the jurisdiction of the Department of Public Works. I am asking the minister if some progress has been made to that end?

Mr. Hees: I think the acting minister of public works feels that way now. We are very happy to have public works build for us structures about which we think they have the most knowledge. In the construction of air terminal buildings, lighthouses, radar stations and other structures of that kind, we feel we know more about it than they do and we like to do that ourselves.

Mr. Bourget: Surely there could be no objection to transferring from the Department of Transport to the Department of Public Works knowledgeable employees who could take charge of that kind of construction.

Mr. Chevrier: Did the minister make a *lapsus linguae* a moment ago when he mentioned the acting minister of public works? Who is he?

Mr. Hees: Mr. Chairman, the Minister of Public Works today is the acting minister of public works because he is the Secretary of State for External Affairs as well as the acting minister of public works.

Mr. Chevrier: Mr. Chairman, may I come back to the question raised by my friend the hon. member for Levis? Why will not the minister say that the reason is that the Department of Transport wants to keep its own construction work, as perhaps it should, and I presume that is the attitude in all other departments that do construction work. While the Department of Public Works has an efficient staff and I am sure can do much of this work, is it not a fact that the Department of Transport has now grown to such an extent that its construction work is even greater than that of the Department of Public Works and it would not want to give up lightly its jurisdiction over a matter of that kind?

Mr. Hees: Mr. Chairman, I would think that the hon. member for Laurier has summed up the situation very well indeed. While I am on my feet, Mr. Chairman, I might be able to pass on some information that might be of some interest to the committee. It does not actually relate to this vote but I might be pardoned for doing so. I have just been advised that in the Ontario election the Conservatives are leading, an elected 50; the Liberals, an elected 14 and the C.C.F. an elected 7.

The Acting Chairman (Mr. McCleave): Order. The Chairman had anticipated that there might be an attempt to smuggle some such information into the committee in this fashion. Is it the wish of the committee to receive this information?

Item agreed to.

403. Nautical services, including Canada's share of the cost of the north Atlantic ice patrol; grants and contribution as detailed in the estimates; rewards for saving life from vessels in distress; subsidy to a salvage company; and the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen as defined in section 306 of the Canada Shipping Act, $557,221.

Mr. Winch: Mr. Chairman, I presume that this is the vote under which we could ask the Minister of Transport a most important question and that is is he now in a position to express his views or those of the government on the establishment of a coastguard service for Canada? I ask that question because I and so many others well remember the long and oft repeated demands of the Conservatives when they sat on this side of the chamber to the effect that the government should undertake the establishment of a coastguard service in Canada. We would all like to know whether the Conservatives in changing sides have changed their position with regard to the establishment of a coastguard service. What are the views of the minister on this matter?

Mr. Hees: Mr. Chairman first of all I think we must not be hypnotized by the word "coastguard". That is the word used to describe the service provided in the United States. Here in Canada although we have not such an ear-catching word the same kind of service is provided by various government departments. The Department of National Defence provides search and rescue service. The Royal Canadian Mounted Police provide coastal patrol. The Department of Transport, the Department of Fisheries and the navy provide ships which undertake sea rescue. With these various services combining, we believe the same service is provided as is provided by the United States coastguard.

There are very few services of any kind that cannot be improved, and I have been giving this matter considerable thought during the past few weeks and so has my colleague, the Minister of National Defence. We are actively studying it at this moment and so are our departments. It seems to me that improvements can be made in better co-ordination of the services and specialized training and equipment of those who will be actually performing the sea rescue task. I can assure the hon. member, and all the hon. members, that this matter is being very seriously studied right at this moment. During the next few weeks we hope to work out something that will be an improvement over the services that have been provided in the past, although I think those services have been pretty good. But, as I say, there are no services that cannot be improved, and we intend to improve this service just as much as we possibly can.

Mr. Winch: I certainly welcome the words of the minister. I must say—I cannot help saying it—that the tune has changed in a period of three years because the answer we have just been given by the minister was the self-same answer we received from the Liberals to which the Conservatives in opposition objected so strenuously and so much.

However, we certainly welcome the fact that the minister has such a great interest in it and that there will be improvements, as all the things he told us about just now were identical with those things we were told by the previous minister of a different party.

Can there be a speed-up in the matter of complete co-ordination of all services so that we do not have ever again the situation which developed only recently in the harbour of Vancouver where a ship caught fire after an explosion, sent out an S.O.S. and it was an hour and a half before any assistance got there. It is quite obvious that some arrangements must be made so that a situation of that kind cannot occur again.

Mr. Hees: As I say, we are working very hard at the present time along those lines.

Mr. McPhillips: On item 403, I see that the details on page 509 show a salvage subsidy payable, presumably, to Foundation Maritime Limited of Montreal, Quebec. The subsidy amounts to $75,000. Will the minister indicate where the salvage vessel is stationed and why it is necessary to pay this subsidy?

Mr. Hees: I am advised that on the west coast there are a number of tugs and barges which can perform this kind of work. On the east coast there are not nearly the same number and it has been found necessary to provide this subsidy in order to make sure that this type of work will be performed on the east coast as it is on the west coast.

Mr. McPhillips: Mr. Chairman, I want to know where the vessel is stationed.

Mr. Hees: At Halifax.

Mr. McPhillips: Mr. Chairman, it seems a little odd to me that, with the amount of shipping on the Atlantic coast, an organization that could have a salvage vessel would find it necessary to receive a subsidy when equivalent equipment on the west coast, although it could do with a subsidy, does not receive one. We have had some of those anomalies before between the east and west coasts. The fact remains, Mr. Chairman—and it is a very serious fact—that Canada is a maritime nation, and all maritime nations should make it a first principle that their shores have some type of protection for vessels coming to those shores, and goodness knows we want them to come, we want their trade.

Mention has been made of air-sea rescue. While that has been very effective in regard to what I would term small rescues, an airman down and perhaps floating around in a rubber boat, or some fishermen floating around in a dory, it is absolutely a joke when it comes to a big ocean-going vessel in distress, it can do nothing whatsoever. It is true an aircraft can spot a vessel and can hover over it and can send out messages, but there is no equipment at all unless reliance is placed upon commercial organizations that have the equipment and are willing to take virtually a gamble. Our shores are protected in that way, and yet year after year they may lose money on those vessels. It is not good enough, I submit, Mr. Chairman, that on the Atlantic coast there should be a subsidy paid for this purpose and not a subsidy paid on the west coast.

I would like to give an instance that occurred within the last while. Quite a sizable vessel got into difficulty off Carmanagh point which is adjacent to the area we term the graveyard of the Pacific where there have been a great many wrecks. This ship called air-sea rescue and an aircraft from Comox air base spotted her position and hovered around. All it could do was to call up the United States coastguard at Neah bay in the state of Washington and ask them to do what they could. The United States coastguard sent a cutter over and there were very high seas running. She got a line on to *Malina*—that is the name of the vessel—and got all the men off except two. They were then so close in to the rocky shore, and the combers were so huge that the United States coastguard cutter could not stand by any longer and got out; she had not enough power. What did she do? There was no Canadian government agency; no navy equipment or anything to call, so she called up the Island Tug and Barge Company of Victoria and asked them to send out their big tug *Sudbury*, and the *Sudbury* went out. She is a huge, powerful salvage tug. She was able to stand in close enough. She got a line aboard and saved the lives of the two men who were there. The next day the *Sudbury* pulled off the grounded ship and brought her to Victoria where she was repaired.

There is the situation. We are a maritime nation. These big vessels sometimes get into difficulty, and on the Pacific coast we have absolutely nothing to rely upon but these commercial concerns, which, as I say, are taking a gamble. They may make money one year and lose money for three years.

I am not a believer in a coastguard service; I think it is a lot of rot. The United States coastguard service is a misnomer. They deal in all kinds of things, smuggling and fisheries protection. We do not need that kind of thing. We do know, however, that Canada must have its own salvage vessels stationed at crucial points on our coasts or else the government of Canada should be willing to subsidize. I notice this is only $75,000. If another $75,000 was paid to the

west coast it would be a total of only $150,000, a drop in the bucket compared with what a coastguard service would cost. I suggest that the department should consider this matter and that at least we should have equality in the matter of safety at sea on both coasts.

Item agreed to.

404. Pilotage service, including authority for temporary recoverable advances not exceeding $20,000, $1,177,065.

Mr. Chevrier: As the minister knows, the question of pilotage is, of course, one that is extremely important. A number of questions were asked on the orders of the day in connection with this matter and the minister went to Washington in order to see if agreement could be reached. Would the minister bring us up to date on the present position of negotiations with the Americans?

Mr. Hees: The passage of Bill No. S-3 through the House of Commons was suspended to enable me to undertake consultations with United States government with a view to ensuring, as far as practicable, that there would be effective co-ordination between Canada and the United States in regard to pilotage on the great lakes. Following my visit to Washington consultations have continued at the official level and at the present time both sides are giving consideration to the problems that would be involved in the establishment of a joint pilotage commission. Because of the many interests involved this problem requires more careful study and while some progress has been made no definite conclusions have yet been reached. If an agreement should be reached with the United States regarding the establishment of such a commission the amendments before the house would probably have to be revised and indeed might not be necessary. For this reason and particularly because of the importance of securing, if at all possible, a joint approach to this problem, I do not intend to proceed with these amendments during the present session.

Mr. Chevrier: I thank the minister for that statement on two counts. The first is that he has just stated that he thinks it is possible to work out a common agreement on pilotage. I commend him and his officers for what they have done in that direction and I hope they will be successful. I am glad the minister has come to the conclusion that that is the only way in which we can operate pilotage facilities on the St. Lawrence seaway. I am also very happy to learn that this means that the minister will not be proceeding with the bill now on the order paper and that we can forget about it for this session. If an agreement is reached I take it that at the next session of parliament a bill will be brought forward dealing with the pilotage aspects of the problem only.

Mr. Hees: Yes, that is correct.

Mr. Chevrier: May I go a step further and ask the minister if I can also conclude that since the bill which was before the house dealt with two things, pilotage on the great lakes and the Montreal, Quebec and Kingston pilotage districts, the new bill which the minister now envisages will deal only with the pilotage agreement with the United States and will not affect the pilots in the Montreal, Quebec and Kingston districts?

Mr. Hees: Not necessarily because the pilotage districts on the lower St. Lawrence are involved in some of the requests which the Americans have made to us, but it may not be necessary.

Mr. Chevrier: I do not want to delay the vote unduly but I do want to bring this particular point to the minister's attention. As the minister knows, the intention was to curtail and affect rather seriously the positions of the Quebec and Montreal pilots. When the matter came up for discussion I had not reached the point in my remarks of registering my protest and dealing with the problem as I would have liked to. But I do want to bring to the attention of the minister the fact that I think it would be a serious mistake if these men, whose ancestors have been pilots in these districts for over 200 years and in the case of many of whom the trade has been handed down from father to son, were affected in the way which was contemplated in the bill. I hope the minister will find it possible not to affect the present position of the Montreal and Quebec pilots.

Mr. Hees: If Bill No. S-3 had been proceeded with during this session we had planned an amendment to the clause to which the hon. member refers which I feel sure would have had his concurrence as a very desirable move in the direction he has mentioned and which would certainly be made effective if that clause has to be reintroduced.

Mr. Chevrier: I hope I had some little influence in convincing the minister.

Mr. Hees: Yes, as always the hon. member has a great deal of influence on my thinking in these matters.

Mr. Bourget: I should like to ask the minister if any final decision has been reached regarding the relocation of the pilotage station now at Father Point?

Mr. Hees: Not yet, Mr. Chairman.

Item agreed to.

Ship channel service—St. Lawrence and Saguenay rivers—

407. Administration, operation and maintenance, $1,521,804.

Mr. Chevrier: What is the present width of the ship channel?

Mr. Hees: Five hundred in some sections and up to 800 in others.

Mr. Chevrier: Is it the intention to widen it eventually to 800 throughout the whole length?

Mr. Hees: A committee is examining the whole matter to determine what should be done during the next three-year contract.

Item agreed to.

Railway and steamship services—

409. Repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the department, $59,800.

Mr. McGrath: On the general item I made reference to the Canadian National Railways Newfoundland hotel and the necessity, in the light of representations, for enlargement to provide extra facilities. I also made reference to consideration being given to the provision of Canadian National Express service on Bell island in St. John's East. Would the minister comment?

Mr. Hees: I will be very glad to take up that matter with Canadian National Railways.

Mr. Bourget: I should like to bring to the attention of the minister a matter involving some employees of the C.N.R. in the Levis division. I was informed this afternoon by telegram, and I suppose the minister has also received the same telegram, that it is the intention of the C.N.R. management to close the division office in Levis and that from the first of August the Levis, Riviere du Loup and Charny-Monk sections will become part of the maritime or Atlantic region. If the information I have received is well founded it will mean that many employees with their families will have to move to Moncton and it will probably also mean the laying off of other employees.

I feel sure that the minister realizes that this change will also affect the economy of the district concerned and cause a lot of inconvenience to the people involved. I should also like to point out, and I think this is a very important point, that most of the people living in that area are French speaking, and if the sections I have mentioned are transferred to the Atlantic regions these people will have to deal with the officers at Moncton. I hope the minister realizes the very disadvantageous position in which the people of these areas will be placed. I would ask the minister to convey to the management of the C.N.R. that if a change has to be made it would be more logical to extend the limits of the Quebec district and Levis division to the border of the province of New Brunswick instead of transferring the sections I have mentioned to the Atlantic region.

I hope that the minister, with his usual sympathy for the Canadian National employees, will draw this to the attention of the management. I recall that when he was sitting on this side he was always blaming the government whenever one Canadian National employee was dismissed. I would, therefore, ask him to convince the Canadian National management to have another look at this special question because this would provide time for public bodies to make the representations that they intend to make on that subject.

Mr. Hees: I shall be glad to draw the matter to the attention of the management of the Canadian National.

Mr. Nielsen: I understand that at this point in the estimates I can discuss the operation of Canadian National Telegraphs which is, by arrangement, operating the northern communications system along the Alaska highway into the Yukon.

The Acting Chairman (Mr. McCleave): The item under discussion is for repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the department.

Mr. Nielsen: I understand that under item 409, railway and steamship services generally may be discussed. If it is not in order for me to discuss the Canadian National Telegraphs operation of the northern communications system under this item, I wonder if the chairman could indicate to me under what item in the estimates I can discuss this matter which comes under the direct jurisdiction of the minister's department?

The Acting Chairman (Mr. McCleave): I am advised that item 430 would be the appropriate item. It deals with telecommunications.

Mr. Nielsen: Under the air services branch?

The Acting Chairman (Mr. McCleave): If the hon. member will refer to page 76, item 430, I think he will find himself in order when that item is called.

Item agreed to.

410. Prince Edward Island car ferry and terminal, $1,741,000.

Mr. Pickersgill: What is the decrease?

Mr. Hees: Approximately $220,000.

Mr. Pickersgill: Oh, I can read, but why is there the decrease?

Mr. Hees: A small saving on operating expenses and a fair increase in operating revenues.

(Translation):

Mr. Johnson: Mr. Chairman, I would again unfortunately for him, call the minister's attention to a particular problem concerning commuters who, by the hundreds, use the national railways to go to their daily work in Montreal, from St. Hilaire, Otterburn, Beloeil, McMasterville, St. Basile, St. Bruno, St. Hubert, to mention only the people in my own riding.

(Text):

The Acting Chairman (Mr. McCleave): Order; I believe the hon. member is speaking on the next item. Shall item 410 carry?

Item agreed to.

411. Newfoundland ferry and terminals, $4,738,000.

Mr. Pickersgill: I should like to ask the minister if his department is completely satisfied now with the operation of the *William Carson*, and if the terminal at Port aux Basques is satisfactory?

Mr. Hees: Yes, it appears to be working satisfactorily, Mr. Chairman.

Mr. Pickersgill: Has the result of the operation been that there is a very small backlog of freight at North Sydney?

Mr. Hees: I am not aware of the nature of the backlog of freight, but any time I have asked I have been advised by the management of Canadian National that the operation of this ferry is satisfactory.

Mr. Pickersgill: The minister will note that there is a very considerable increase for this year. I am not complaining about that, but I just wondered what the reason was?

Mr. Johnson: May I revert to item 409?

Mr. Pickersgill: We are in the middle of a discussion; wait until we finish.

The Acting Chairman (Mr. McCleave): Apparently the hon. member wishes to speak on another item. We will complete the discussion of item 411 to keep the committee procedure orderly, then the hon. member for Chambly-Rouville may make his request of the Chair.

Mr. Hees: The answer to the hon. member's question is that there has been quite an increase in operating expenses.

Mr. Pickersgill: No corresponding increase in revenues?

Mr. Hees: Not as much.

Item agreed to.

The Acting Chairman (Mr. McCleave): If the hon. member for Chambly-Rouville will state his case—

Mr. Johnson: I have to take exception to the use of the words "state his case", because I would have to incriminate a few of my friends around me. Because of private conversations, I did not have a chance—

Mr. Pickersgill: Before we decide about the hon. member's request, is it clearly understood that the same consideration will be given to every member of the opposition as is given to a supporter of the government in reverting to items?

The Acting Chairman (Mr. McCleave): The Chair is not going to anticipate what the request is. Perhaps we should have the request first.

Mr. Johnson: May I carry on with my request?

The Acting Chairman (Mr. McCleave): The Chair wishes to know what the hon. member's request is.

Mr. Drysdale: He wants to go back to item 409.

The Acting Chairman (Mr. McCleave): The hon. member asks the consent of the committee to revert to item 409 which has been passed by the committee. Is it the pleasure of the committee to grant the hon. member this right?

Some hon. Members: Agreed.

409. Repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the department, $59,800.

(Translation):

Mr. Johnson: Mr. Chairman, I was saying that the rates established for the transportation of those passengers are high enough today without those people being saddled with a further increase.

At this time, the rate increases are in abeyance, thanks to the timely intervention of this government, until the transport commissioners can consider the situation and reach a decision. But while waiting for their decision, I take the opportunity offered by the consideration of the minister's estimates to ask the Minister of Transport to give

favourable consideration to requests from commuters who are opposed to any raise in railway rates.

In order to shorten this debate, I shall, at this point, support the remarks made this morning by the member for Vaudreuil-Soulanges, when he raised the problem facing the commuters.

I shall draw the minister's attention to a problem which is of interest to those who travel daily from Granby to Montreal via Marieville, Chambly, Brookline, Croydon and East Greenfield. Every morning a train leaves Granby and runs through Marieville and the other places I mentioned, i.e. Chambly, Brookline, Croydon and East Greenfield, at a time which would be convenient to daily commuters in the area, but the national railways, for some unknown reason, have this train running from Granby to Montreal through all those points, but picking up passengers only at Granby and Marieville.

I want to draw the minister's attention to the matter, and ask him whether it would not be possible to point out the situation to the relevant Canadian National Railways authorities, because it is of great importance for people travelling from the points I mentioned.

(Text):

Mr. Hees: Yes. I shall be glad to draw that to the attention of the management.

Item agreed to.

413. Enlargement of dock and terminal facilities at North Sidney, Nova Scotia, $14,000.

Mr. Pickersgill: There is one question I should like to ask the minister. There is no question about retaining North Sydney as the port for the ferry, is there? There has been some discussion about that matter.

Mr. Hees: There is no question about it at all.

Item agreed to.

415. Construction or acquisition of auto-ferry vessels and equipment as listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended upon individual listed projects, $1,130,000.

Mr. McGrath: Is it possible to get an indication as to when the Bell island ferry will be completed? When is it expected to go into service?

Mr. Hees: Next summer.

Mr. Pickersgill: May I make an appeal to the minister to consider naming the Bell island ferry the *Point Pelee* because it was my discovery that the government of Canada was subsidizing a ferry between Pelee island and Point Pelee that forced the minister to provide this ferry for Bell island.

Mr. McGrath: Why not call it the *J. W. Pickersgill*?

Mr. Browne (St. John's West): I should like to know when the hon. gentleman made that discovery?

Mr. Pickersgill: I can tell the minister that very well. It was a very sad day for me because it was at the last treasury board that I attended and it was unfortunately after June 10, 1957.

Item agreed to.

417. Yarmouth, Nova Scotia-Bar Harbour, Maine, U.S.A., ferry service—deficit, 1959, $131,000.

Mr. Chevrier: Will the minister give an idea of how this ferry service is operating? By that I mean how profitably is it operating?

Mr. Hees: For this year revenues are estimated at $1,115,000 and total expenses are estimated at $1,246,000, for a net deficit of $131,000. That is a slight improvement over last year.

Item agreed to.

420. To authorize the governor in council to grant to Canadian National Railway company a subsidy of $25,000 per mile, but not exceeding $7,450,000, towards the construction of the line of railway referred to in chapter 49 of the Statutes of Canada, 1953-54, as branch line number 1 (described approximately as a line of railway from St. Felicien to Chibougamau and from Chibougamau to Beattyville in the province of Quebec); such grant of subsidy to be made in such manner and in such amounts and subject to such conditions, if any, as the governor in council deems expedient; estimated requirement for the fiscal year 1959-60, $1,000,000.

Mr. Winch: Although item 420 deals with a specific subsidy for the construction of a railway, may I take the opportunity afforded by this vote to ask the minister whether any moneys have been paid or whether consideration is being given to the payment of a similar subsidy on a very expensive construction undertaken by British Columbia in extending the Pacific Great Eastern railway from Prince George to Fort St. John?

Mr. Hees: There is nothing current at the present time.

Mr. Winch: May I ask whether the government of British Columbia has made any request for that subsidy?

Mr. Hees: Yes, a request was made.

Mr. Winch: May I ask whether it is being considered?

Mr. Hees: Yes.

Mr. Winch: And favourably I hope.

Mr. Hees: No; that matter has not been finally disposed of.

Mr. Pickersgill: Since the hon. gentleman made a request that was slightly out of order, Mr. Chairman, may I also make one? Is any consideration being given to the application of the government of Manitoba for the extension of the railway north from Gypsumville to the Hudson Bay railway?

Mr. Hees: I am not aware of such a request.

Mr. Winch: I am now asking for information. After a railway has been constructed, is in operation, and has been in operation for some time how long does it take, as general rule, before a decision is reached as to whether a subsidy is going to be paid?

Mr. Hees: It all depends on the complexity of the issue. I understood that Mr. Bennett made some statements in the past—I think it was perhaps about the time of the last election out there—to the effect that this was a very successful operation, that it was paying its way and things of that kind.

Mr. Winch: You know Mr. Bennett. The taxpayers of British Columbia and the other people in Canada, with respect to railway construction, are entitled to a grant from the federal government. Not on behalf of Mr. Bennett but on behalf of the taxpayers of British Columbia we ask that favourable consideration be given to according us the same treatment as is accorded to everyone else.

Mr. Chevrier: What is the remaining amount to be paid for the construction of this half of the Chibougamau railway?

Mr. Hees: If we spend the full amount of $1,000,000 this year it will bring it very near to completion.

Mr. Chevrier: My recollection is that the line was to cost in the neighborhood of $37 million, about $17 million or $18 million or thereabouts for each half of the line. Is this the last million dollars that is going to be voted?

Mr. Hees: Yes. There will probably be a wind-up item next year but it will not be a big one.

Mr. Chevrier: What is the present position of the eastern half of the line?

Mr. Hees: Does the hon. member mean whether that section of the line is operational?

Mr. Chevrier: Yes.

Mr. Hees: Yes. The eastern section is in service now.

Mr. Chevrier: Then is the whole line in service? The western section was built first.

Mr. Hees: The western section is completed. The eastern section is not completed.

Mr. Chevrier: That is what I thought. When will the eastern section be completed?

Mr. Hees: If the C.N.R. are able to spend this money this year they expect to have it completed by the end of this year. There seems to be some doubt that they can spend all this money, but if they can they will.

Mr. Broome: I wish to say a word with regard to the question posed by the hon. member for Vancouver East. I am rather interested in that point. I wonder whether the minister can tell us whether—I did not get this point quite clear—submissions had been received from the British Columbia government with regard to a subsidy? I thought a subsidy had been paid or offered to the British Columbia government and that it has been accepted. I was wondering whether the minister could bring the committee up to date on that matter.

Mr. Hees: That was in relation only to the forty miles extension directly north of Prince George and that was paid about a year and a half ago. Premier Bennett spoke to me about the possibility of a further subsidy and, as I have said, the matter is still under consideration.

Mr. Winch: The point on which I want to be extremely careful is this. It is my understanding that a subsidy was paid by the federal government on some phase of the construction from north Vancouver to Squamish and from Quesnel to Prince George but that on account of the expense involved the government were anticipating that they would receive a larger subsidy on that section of construction. I am not questioning at this time whether or not you have under consideration—although I hope you have—the granting of a greater subsidy on the heavy cost of construction from north Vancouver to Squamish and from Quesnel to Prince George. Basically my question was this. Is any consideration being given to the second phase of construction which was from the city of Prince George up to Dawson Creek and Fort St. John in the Peace river area of British Columbia? As I said before, I think the people are entitled to it. The expenditure was great. The cost has been met by the people of British Columbia. The railway opens up all that vast area in the north and the federal government is going to reap the benefit through the development of that country through the medium of this railway extension. I hope that not only is consideration being given to an additional

subsidy on the first two sections but also to a continuation of subsidies on the northern section.

Mr. Broome: It also links up five points.

Mr. Winch: Premier Bennett boasts too much and keeps too many differing financial books.

Mr. Hees: Mr. Chairman, the answer to the hon. member's question is that in 1949 a subsidy was paid for the section from Quesnel to Prince George. Also there has been, as I have said, a subsidy paid on 40 miles north from Prince George but nothing on any other section.

Mr. Winch: Mr. Chairman, it seems logical having paid a subsidy on 40 miles north that they should also give consideration to extending it to Dawson Creek and Fort St. John.

Item agreed to.

Pensions and other benefits—

421. Amount required to pay pensions at the rate of $300 per annum to former pilots: Arthur Baquet; Adelard Delisle; Raoul Lachance; Jules Lamarre; Wilhelm Langlois; Auguste Santerre, $1,800.

Mr. Chevrier: One word on pensions generally. What is the position of the retired employees of the Canadian National Railways? The minister will remember how that matter was always discussed in the house, and I wonder if he would bring the committee up to date on the position of pensions concerning the retired employees of the Canadian National Railways, not only those who are now receiving the basic pension but others as well.

Mr. Hees: Mr. Chairman, this is quite a complicated matter. I have studied the memorandum which the C.N.R. sent to me, and—

The Acting Chairman (Mr. McCleave): Order. I think this question should properly be asked under item 422.

Item agreed to.

422. Railway employees' provident fund—to supplement pension allowances under the intercolonial and Prince Edward Island Railway employees' Provident Fund Act so as to make the minimum allowance payable in the calendar year 1959 $30 per month instead of $20 per month as fixed by the said act, $9,400.

Mr. Hees: The C.N.R. have just brought in a new pension plan. As I say, it is quite a complicated one and deals with employees under certain categories going back quite a number of years. I would be very glad to let the hon. member have the memorandum, but I am afraid it is too lengthy and complicated to deal with here.

Mr. Chevrier: I do not want the memorandum; I just want the answers to two questions. First, I understand the new plan which the minister speaks of does not cover those who are entitled to the basic pension only, and I understand further that it does not cover a certain group of retired employees of the Canadian National Railways. Can the minister tell me what happens to the basic pension? Does it remain the same?

Mr. Hees: If the hon. member will permit, I would like to get that information for him and answer these two questions tomorrow.

Mr. Winch: Could I ask the minister, as he apparently has some interest in the retirement pensions of the old time employees of the C.N.R., if he has any authority or influence over the C.P.R., because I have a stack of files galore from old time pensioners of the C.P.R. They cannot make any headway with that outfit whatsoever in getting these old timers a square deal. Has the minister any information on that, or any influence or power there at all?

Mr. Hees: No, I am afraid not. As the hon. member knows that is a private company and I have no influence over it at all.

Mr. Pickersgill: Would the minister draw to the attention of the C.P.R. the fact that there is a good deal of interest in this matter? One former member of parliament —I will not name him here—has himself drawn this to my attention. Probably the hon. member and I have the same gentleman in mind.

Mr. Hees: Yes; I would be very glad to draw it to the attention of the president of the C.P.R.

Item agreed to.

423. Supplemental pension allowances to former employees of Newfoundland railways, steamships and telecommunication services transferred to Canadian National Railways, $56,000.

Mr. Pickersgill: One word on this item. I had a good deal to do with this, and I am certainly not going to ask the minister to explain it because it is about the most complicated thing I have ever had to deal with, but is it working out satisfactorily?

Mr. Hees: Mr. Chairman, the answer is yes.

Item agreed to.

AIR SERVICES

Administrative branch—

425. Construction services administration, $2,809,785.

Mr. Pickersgill: Does this item cover all construction of every kind?

Mr. Hees: It is the administrative item for the construction branch which looks after air services as a whole.

Mr. Pickersgill: In other words, this is just overhead, is it?

Mr. Hees: Salaries, offices, and that sort of thing.

Mr. Pickersgill: It is a pretty large item for overhead, is it not?

Mr. Hees: It is salaries, office expenses, and so on.

Mr. Pickersgill: It is nearly $3 million.

Mr. Weichel: Mr. Chairman, it is not my intention to delay the Department of Transport estimates, but on behalf of the Waterloo-Wellington airport commission, my colleagues from Waterloo South, Wellington South and myself, may I extend to the Minister of Transport and his department our sincere thanks for the fine co-operation received in the authorizing of repairs to the taxi strip and the installation of a medium intensity lighting system in order to permit night flying from this airport. This is a move in the right direction. These improvements will assure the public that in this growing developing area of Canada these increased facilities are required, and will materially help the growth and development of the area which this airport serves.

Mr. Chairman, in connection with the air facilities program, first may I mention that the development of aviation in Canada is rapid and the government is doing what it can to facilitate the construction and provision of facilities in the way of runways, navigational aids, etc., that will permit a healthy aviation industry in Canada. Second, it is recognized that the government cannot in any one year finance the total assistance requested. Third, assistance is being given within the limitations of money available in some areas where improved services are most urgently required. Fourth, while all requests cannot be met during the present fiscal year, we hope that it will be the continuing policy of the government to assist and encourage various developing areas of Canada to improve their airport facilities in order that improved transportation so essential to development may be achieved.

Mr. Pickersgill: Mr. Chairman, I would like to join with the hon. member for Waterloo North in congratulating the minister on being present at the opening of what I think is the finest air terminal in Canada and the most modern and up to date, and one which I had a good deal of pleasure in having something to do with as a member of the former government. I refer to the terminal at St. John's, which I am sure the minister will agree is the finest one of its size and kind in Canada.

Mr. Brunsden: Mr. Chairman, may I redirect the attention of the minister, in view of the preceding remarks, to my own remarks this afternoon with respect to the deplorable situation at Medicine Hat.

Mr. Pickersgill: May I call it ten o'clock?

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the house leader what the business of the house will be for tomorrow, and perhaps I could ask him to be so good as to project his mind into next week as far as he can.

Mr. Green: Tomorrow we shall continue with the transport estimates and then take those of the Department of Justice. On Monday we intend to take the different items standing in the name of the Minister of Finance. I cannot give the order in which they will be considered. We will also take the item in the name of the Minister of National Defence, and then a very non-contentious item, No. 2 on today's order paper, an act to amend the Unemployment Insurance Act.

Mr. Winch: Stop right there.

Mr. Green: On Tuesday, hon. members should be prepared to consider the resolution standing in the name of the Minister of Public Works concerning the Prime Minister's Residence Act, and any of the items in the name of the Minister of Justice, with the exception of the act to amend the Combines Investigation Act. I am including the act to amend the Criminal Code but not the one concerning the Combines Investigation Act.

Mr. Pickersgill: Before the house adjourns I wonder if I can make an appeal to the minister to appeal in turn to his colleagues to bring forward the legislation having to do with the implementation of the terms of union.

Mr. Green: Well, Mr. Speaker, I am hoping that practically all of the legislation will be on the order paper within the next few days.

Mr. Chevrier: Within when?

Mr. Green: Within the next few days.

It being three minutes after 10 o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply]:

DEPARTMENT OF TRANSPORT

A—Department—

392. Departmental administration, $2,587,500.

393. The St. Lawrence river joint board of engineers—Canadian section, $61,500.

Canal services—

394. Administration, $128,500.

395. Operation and maintenance, $2,577,184.

396. Construction or acquisition of buildings, works, land and equipment, including payments to provinces or municipalities as contributions towards construction done by those bodies, $1,195,520.

397. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority with the approval of the governor in council, and to authorize, notwithstanding the Financial Administration Act or any other act, the disbursement by the authority of revenues derived from the operation and management of such canals and works, $2,934,815.

Marine services—

398. Marine services administration including agencies, $849,800.

Marine service steamers—

399. Administration, operation and maintenance, $15,975,187.

400. Construction or acquisition of vessels and equipment, $13,575,000.

Aids to navigation—

401. Administration, operation and maintenance, including fees for membership in the international organizations listed in the details of the estimates, $5,945,892.

402. Construction or acquisition of buildings, works, land and equipment, $5,132,100.

403. Nautical services, including Canada's share of the cost of the north Atlantic ice patrol; grants and contributions as detailed in the estimates; rewards for saving life from vessels in distress; subsidy to a salvage company; and the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen as defined in section 306 of the Canada Shipping Act, $557,221.

404. Pilotage service, including authority for temporary recoverable advances not exceeding $20,000, $1,177,065.

405. Steamship inspection service, including the carrying out of the provisions of the conventions for the safety of life at sea and load lines, and contributions as detailed in the estimates, $1,033,575.

406. Marine reporting service, $146,136.

Ship channel service—St. Lawrence and Saguenay rivers—

407. Administration, operation and maintenance, $1,521,804.

408. Contract dredging, including acquisition of land for ship channel improvements, $4,094,000.

Railways and steamship services—

409. Repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the department, $59,800.

Payments to the Canadian National Railway company (hereinafter called the company) upon applications approved by the Minister of Transport, made by the company to the Minister of Finance, to be applied by the company in payment of the deficits, certified by the auditors of the company, arising in the operations in the calendar year 1959—

410. Prince Edward Island car ferry and terminals, $1,741,000.

411. Newfoundland ferry and terminals, $4,738,000.

412. Strait of Canso—causeway maintenance, $10,000.

413. Enlargement of dock and terminal facilities at North Sydney, Nova Scotia, $14,000.

414. Construction of new dock and terminal facilities at Port aux Basques, Newfoundland, $36,000.

415. Construction or acquisition of auto-ferry vessels and equipment as listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended upon individual listed projects, $1,130,000.

416. Newfoundland coastal services—construction or acquisition of passenger-cargo vessels and equipment, and harbour facilities, $3,090,000.

417. Yarmouth, Nova Scotia-Bar Harbour, Maine, U.S.A., ferry service—deficit, 1959, $131,000.

418. Degaussing Canadian-owned merchant ships, of 1,000 gross tons and over, of Canadian registry, or of United Kingdom registry if subject to retransfer to Canadian registry under special intergovernmental arrangement, $255,000.

419. Maritime Freight Rates Act—payment to the railway companies operating in the select territory designated by the act, of the difference occurring on account of the application of the act, between the tariff tolls and normal tolls under approved tariffs (estimated and certified to the Minister of Transport by the Canadian National Railway Company and approved by auditors of the said company respecting the eastern lines of the Canadian National Railways and in the case of the other railways by the board of transport commissioners for Canada) on all traffic moved during the calendar year 1959, $14,100,000.

420. To authorize the governor in council to grant to Canadian National Railway Company a subsidy of $25,000 per mile, but not exceeding $7,450,000, towards the construction of the line of railway referred to in chapter 49 of the statutes of Canada, 1953-54, as branch line number 1 (described approximately as a line of railway from St. Felicien to Chibougamau and from Chibougamau to Beattyville in the province of Quebec); such grant of subsidy to be made in such manner and in such amounts and subject to such conditions, if any, as the governor in council deems expedient; estimated requirement for the fiscal year 1959-60, $1,000,000.

Pensions and other benefits—

421. Amount required to pay pensions at the rate of $300 per annum to former pilots: Arthur Baquet; Adelard Delisle; Raoul Lachance; Jules Lamarre; Wilhelm Langlois; Auguste Santerre, $1,800.

422. Railway employees' provident fund—to supplement pension allowances under the intercolonial and Prince Edward Island Railway Employees' Provident Fund Act so as to make the minimum allowance payable in the calendar year 1959 $30 per month instead of $20 per month as fixed by the said act, $9,400.

423. Supplemental pension allowances to former employees of Newfoundland railways, steamships and telecommunication services transferred to Canadian National Railways, $56,000.

Air services—

Administrative branch—

424. Air services administration, $1,342,652.

APPENDIX

MALTON AIRPORT—CORRESPONDENCE RESPECTING LAND APPROPRIATION

(Copy)

5168-648

July 19, 1957.

John Pallett, Esq., M.P.,
R.R. No. 1,
Erindale, Ont.

Dear John:

I have now obtained further information on the veterans' properties near Malton which have been expropriated. You are, of course, more familiar with these cases than I, but I find that the main complaints are:

(1) Delay in approaching land owners after expropriation;

(2) Opinion of the land owners that departmental offers are inadequate;

(3) Loss by the land owners of the "conditional grants" under the Veterans' Land Act.

There certainly were some delays in approaching land owners after expropriation in 1954. Our small real estate staff in Toronto had a great number of cases to deal in Ontario with during that period and fell behind in their approaches to many people because the volume of work was too great. As regards the second complaint that our offers are not high enough, we not only had appraisals made by our own staff, but we employed an independent appraiser with particular reference to the Hatton test case which is now before the exchequer court, and we consulted fully with officials of the Department of Veterans Affairs who concurred in the view that our offers were fair and reasonable.

It is, of course, by no means abnormal to find a wide gap between an offer which we consider fair and reasonable and the value which may be placed upon property by the land owner. Where a gap is too great it is usually desirable to allow the matter to be settled by the court, and frequently one test case in an area gives the basis for direct settlement of others without court intervention.

As for the conditional grants, after reviewing the facts I do not see how we could take account of this in our offers. This conclusion has been reached after full consultation with the Department of Veterans Affairs, which I understand is in agreement with our view. The conditional grant is an extra credit which may be earned by the veteran if he stays in continuous residence for 10 years, but is related to other benefits which he gives up when he obtains this and which are re-established if he loses the conditional grant. In order to qualify for the conditional grant, I understand that the veteran must surrender his right to a re-establishment credit which is part of the war gratuity he is entitled to; but if he loses his right to the conditional grant, his right to the re-establishment credit is restored; or, alternatively, if he relocates under the V.L.A. his right to the conditional grant continues without a break. I think you will appreciate from this why we feel that this is a matter which must be handled within the orbit of the Department of Veterans Affairs because of these related factors which exist. This is the strong advice of our real estate and legal officials in consultation with D.V.A.

However, we recognize that this is a complicated matter and it is because of this fact, as well as because of the very high valuation placed upon their property by the veterans themselves, that we thought it would be fair to all concerned if the Hatton case could be settled by the exchequer court and establish a precedent which could be followed in the other settlements. Otherwise the veterans might feel that they had been unfairly treated; or, alternatively, the Department could be accused of being wasteful of the taxpayers' money by giving in to unreasonable demands.

I am anxious to help, and if it is the case that the veterans have retained the services of an independent appraiser and have obtained advice which differs materially from that available to us, we would be glad to arrange a further meeting to discuss the matter with all concerned, including officials of the V.L.A. I would not like to commit myself at this stage to arbitration in the sense of appointing an independent appraiser acceptable to both the veterans and ourselves until after this meeting takes place. However, I would certainly be prepared to consider this possibility further if the veterans were prepared to agree by contract in advance the report of such an independent appraiser was final and binding on them.

Perhaps you would let me have your views as to what further steps might usefully be taken. Meanwhile, since we have some preference for seeing the Hatton case decided as a means of establishing a basis for settlement of the other cases, we will ask the Department of Justice to request the exchequer court to give earnest consideration to setting an early hearing of the Hatton case.

Yours sincerely,

George Hees.

(Copy)

HOUSE OF COMMONS
CANADA

July 24th, 1957.

The Honourable George Hees,
Minister of Transport,
Parliament Buildings,
Ottawa, Ontario.

Dear George:

Re: Malton Airport Expropriation

I have had a meeting with the home owners who are being expropriated in the Malton area and they have agreed to the matter being arbitrated by a single arbitrator to be agreed upon between yourself and themselves.

I told them that I thought that the arbitrator in all probability could hear their individual cases in September. I believe there are a number of people who live in the county of Peel who could be qualified as arbitrator and if you wish, I would be pleased to submit a name for your consideration.

Kindest personal regards.

Yours sincerely,

John

John Pallett, M.P.

(Copy)

July 26th, 1957.

John Pallett, Esq. M.P.,
R. R. Number 1,
Erindale, Ontario.

Dear John:

Re: Malton Airport Expropriation

Thank you for your letter of July 24th, regarding the appointment of an arbitrator in this matter.

However, I would like to discuss the question further with my deputy minister, and I'll get in touch with you again as soon as possible.

Yours sincerely,

George Hees.

(Copy)

House of Commons
Canada

July 31st, 1957.

The Honourable George Hees,
Minister of Transport,
Ottawa, Ontario.

Dear George:

Thank you for your recent long letter. Your interest is appreciated.

I had the advantage, however, of having on the spot information. I am sure that none of the residents will feel bound by the Hatton decision, and from the mood of the residents, there will be a number of exchequer court cases. This will of necessity be expensive to the department and to the residents.

An arbitration would satisfy the economy's requirement and would give the matter more expedition. I believe your officials will confirm that no additional cases can be heard in the exchequer court this year.

The previous administration failed to recognize the human element in many of its dealings and that is the reason for the sharp vote against it.

The number of individuals involved in this matter cannot all be wrong. It may be that there was some early misunderstanding between the evaluators and this group, which I am firmly convinced will not be improved by the arbitrary attitude at the present time to follow out previous methods.

A proper arbitration will not only save the government considerable legal cost, but will restore the much-needed confidence in the administration generally.

Kindest personal regards.

Yours sincerely,

John.

(Copy)

House of Commons
Canada

August 27, 1957.

Mr. C. S. Booth,
Assistant Deputy Minister,
Department of Transport,
Ottawa, Ontario.

Dear Mr. Booth:

Further to my telephone conversation with you yesterday, I am pleased to enclose herewith a copy of the names of the people who are interested and agreeable in having an arbitrator or a new valuator, whose finding shall be binding upon both parties. In addition to this, I understand that some of the larger land holders will also consent to something of this nature in order to finalize it.

You will note that the total difference in the prices asked and the prices offered amounts to some $138,000. If each of these went to the exchequer court as individual cases, it would not take long to eat up the $138,000 (at least at the rate of cost in the recent Bagwell case).

I look forward to seeing you at the convention next week, and hope that something can be worked out so that these people will not have to wait any longer for their just entitlement.

Yours sincerely,

John Pallett, M.P.

Name	Location	Value to Owner	D.O.T. Offer
		$	$
MR. VICTOR DREW 6th Line, R.R. 4 Malton, Ont.	Con. 7, Part of Lot 5.....	26,785.00	10,350.00
MR. JACK WALES Cooksville, P.O.	Lot 1, Plan 360 Airport Road.....	25,000.00	16,500.00
MR. J. THOMAS 6th Line, R.R. 4	Lot 13, Skyway Subdivision.....	10,500.00	8,500.00
MR. G. FULTON 6th Line, R.R. 4	Con. 7, Part of Lot 3.....	53,900.00	38,500.00
MR. BERT SMITH 6th Line, R.R. 4	Con. 7, Part of Lot 3.....	39,675.00	21,000.00
MR. G. WHITE 6th Line, R.R. 4	Con. 7, Part of Lot 5.....	16,500.00	7,000.00
MR. FRED MURRAY Culham Drive	VLA Lot 9.....	30,405.00	21,270.00
MR. TED WHITLEY Culham Drive	VLA Lot 38.....	28,525.00	19,100.00
MR. J. WHITTINGTON Culham Drive	VLA Lot 32.....	21,000.00	14,253.00
MR. V. SALOVAARA Culham Drive	VLA Lot 33.....	21,000.00	13,843.00
MR. FRED HALE Culham Drive	VLA Lot 12.....	24,938.00	17,938.00
MR. J. SPENCE Culham Drive	VLA Lot 35.....	22,328.00	14,800.00
MR. FRED HATTON Culham Drive	VLA Lot 40.....	45,000.00 decreased	26,325.00 22,650.00
MR. ROSS STUART Culham Drive	VLA Lot 10.....		18,000.00

In addition to the above, there should be interest from the date of filing and allowance for compulsory taking.

(Copy)

August 29, 1957.

John Pallett, Esq., M.P.,
34 Lakeshore Road,
Port Credit, Ontario.

Dear Mr. Pallett:

This is further to our telephone conversation of a couple of days ago relating to the matter of settlement of the claims of certain soldier settlers and some others in respect of expropriations for the airport at Malton.

Since talking to you, I have discussed with Mr. R. G. MacNeill of the treasury board staff your proposal for the disposition of these matters by arbitration. Mr. MacNeill feels that this course would be impracticable for a number of reasons including the following:

The Expropriation Act makes provision for dealing with expropriations and these claims must be dealt with in accordance with the act.

It would be contrary to the intention of the Expropriation Act for the government to agree in advance to be bound by the decision of an arbitrator in the manner suggested by you.

If arbitration were adopted in this case it would establish a precedent which could have extremely serious and dangerous consequences for the future.

As I indicated to you in our conversation I have discussed this question briefly with the deputy minister of justice who sees many practical difficulties which would arise and feels that if a "proper arbitration" were undertaken the formulation of the necessary procedures, safeguards, etc. together with the preparation of the several cases and representation before the arbitration tribunal would involve very considerable expense.

It is pointed out that while some of the other owners might not be willing to be bound by the decision of the exchequer court in the Hatton case the fact is that the court is

better qualified than any arbitrator could be to come to a sound decision and that even if the others insisted as is their right to take their cases to the court it is extremely unlikely, assuming that the circumstances in most if not all of the other cases are very similar, if not identical, with the Hatton case that they would improve their position by doing so. On the other hand, if arbitration were adopted then each one of them would have to come forward with an expert valuation of his property and this inevitably would involve considerable expense to each of them both for the services of a valuator and also for counsel.

The foregoing is not intended to be exhaustive and I will be pleased to discuss this aspect of the matter with you in Banff.

Dealing with the suggestion I made to you regarding a further attempt to reach agreement, I respect that we would welcome an opportunity to meet with the owners in question for the purpose of discussing their valuations and the valuations which have already been made as indicated to you in the minister's letter of July 19. For such a meeting to be fruitful I think it would be necessary for the owners to be prepared to present their own valuations in detail, supported by such expert opinion as they see fit to secure. As I have already said I would arrange to attend such a meeting myself.

It is fully recognized that there are a number of unfortunate aspects to this matter which are extremely regrettable. These include the rather serious delays which have taken place; the fact that under the Expropriation Act we are bound by valuations as of the date of expropriation notwithstanding the fact that in some, if not all, cases the value of properties in the Malton area have risen considerably since that time; and also the fact that, apparently it would not be legally possible to take into account in fixing compensation the "conditional grants" under the V.L.A.

As I also mentioned to you, while we have received, I think in each case, a statement of the total sum which each owner would accept we have had no breakdown of these figures and it would be extremely helpful for our purposes if these could be provided.

We would appreciate receiving, in due course, the names of all the individuals on whose behalf you are intervening in this matter. I understand that you will be sending these to me.

Many thanks for your letter of August 27, just received with this information.

Yours very truly,

C. S. Booth.

(Copy)

5168-648
1st October, 1957.

John Pallett, Esq., M.P.,
34 Lakeshore Road,
Port Credit, Ontario.

Dear John:

This is further to our discussion of a couple of weeks ago regarding the settlement of the claims, as listed in your letter of August 27, to Mr. Booth, of certain soldier settlers and others at Malton.

My understanding of your proposal was that if new appraisals were made by a valuator acceptable to you, the owners in question would agree to be bound by his valuation.

Your proposal for a valuator was Mr. Earl Claire of Port Credit and I am happy to be able to tell you that we have now arranged for Mr. Claire to undertake this work. He has been in hospital but I understand he will begin his appraisals next week.

I would appreciate receiving from you, as soon as conveniently posible, the written undertakings of the owners to be bound by Mr. Claire's valuations. When these valuations are received, I will proceed along the lines indicated to you in our discussion.

Yours sincerely,

George Hees.

(Copy)

HOUSE OF COMMONS
CANADA

October 3rd, 1957.

The Honourable George Hees,
Minister of Transport,
Ottawa, Ontario.

Dear George:

Re: Malton Airport Expropriations

I received your letter today, and would point out that the valuator's name is James Earl Scott Clare, and I am pleased that he is satisfactory to the members of your department.

This evening the forms are being delivered to the owners to obtain their signatures. In the forms that are to be signed, there is a provision that the vendors agree only to be bound by the valuation if the amount is paid within two months after the valuation is made. This latter provision is to help speed things along a little bit.

Kindest personal regards.

Yours very truly,

John Pallett, M.P.

Malton Airport Land Appropriation

(Copy)

October 7, 1957.

John C. Pallett, Esq., M.P.,
Messrs. Pallett and Pallett,
Solicitors,
Port Credit, Ontario.

Dear John:

Thank you for your letter of October 3rd relating to the Malton expropriations.

As mentioned by Mr. Booth in his telephone conversation with you this morning the time limit of two months may be cutting it rather fine and we would much prefer to have two months after the owners have signed their respective options at the valuations in question.

However, I understand that some have already signed and it would be difficult for you to go back to them now. I also understand that the documents they have signed provide for payment within two months after the valuations have been submitted to me.

I have been advised that barring unforeseen difficulties we shall be able to complete the formalities within this time limit and under the circumstances I agree to proceeding in the manner you have arranged.

Yours sincerely,

George Hees.

HOUSE OF COMMONS
PRIVATE & CONFIDENTIAL

Ottawa, October 24, 1957.

The Hon. George Hees,
Minister of Transport,
Ottawa, Ont.

Dear George:

Re: Malton Airport Expropriations

I hate to bother you with such things, but I have had a telephone call and a telegram; Bill Beach has had telephone calls; and apparently Speers, the land agent in Toronto, has made the statement that he—and not the minister—is running the department in Toronto.

I have had a talk with Earl Clare, whom you appointed for the purpose of evaluating small holdings, and he tells me that Speers was in Ottawa today, apparently with some proposal to the deputy minister or assistant deputy minister that Clare be taken off the job.

Clare has already promoted the public relations of the Department of Transport more than the land agents have done in the last three and a half years. He has taken the time to examine each house and sit down and talk over the valuations which the owners want, with each owner. Needless to say, he will come to his own valuation.

I have known Clare for many many years and he is not going to be influenced by Speers or any home owners. You may or may not hear of this through your deputies but, if so, I suggest that they be told in no uncertain terms that Speers is to get off Clare's back and let him do the valuations in his own way; if not, it defeats the purpose of appointing him.

No answer is expected and this, I suggest, might be ripped up and thrown away.

Yours sincerely,

John,

John Pallett, M.P.

(Copy)

October 30, 1957.

John Pallett, Esq., M.P.,
House of Commons,
Ottawa.

Dear John:

Thanks for your letter of October 24th, regarding Malton airport. I have noted carefully what you have said about Mr. Clare.

With very best regards.

Yours sincerely,

George Hees.

(Copy)

(By Hand)

HOUSE OF COMMONS
Canada

Ottawa, December 9, 1957.

Mr. Mel Jack,
Executive Assistant to the
Minister of Transport,
Ottawa.

Re: Malton Airport

Dear Mel:

I am forwarding to you herewith a letter addressed to Mr. Hees and valuations regarding the above. Copies of these valuations have been sent to Mr. Speers, the Toronto agent of the Department.

Yours sincerely,

John Pallett, M.P.

(Copy)

December 16, 1957.

Mr. John Pallett, M.P.,
House of Commons,
Ottawa.

Dear Mr. Pallett:

This will acknowledge your letter of December 9th, with which you forwarded the valuations relating to the Malton airport, and which have been placed before the minister.

Yours very truly,

M. R. Jack,
Executive Assistant.

HOUSE OF COMMONS

Friday, June 12, 1959

The house met at 11 a.m.

FINANCE

TEXTILES—TABLING OF TARIFF BOARD REPORT ON SILK AND MAN-MADE FIBRES

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I wish to table copies in English and in French of a further report which I have received from the chairman of the tariff board relating to reference No. 125 on textiles. I am tabling also a transcript of the evidence presented to the board at its public hearings. This report relates to silk and its products and to man-made fibres and their products. As hon. members know, real silk has long since been reduced to a minor role as compared with synthetic fibres.

Two of the most important of the man-made fibres—viscose and acetate—are derivatives of wood pulp. Most of the others are true synthetics, based on petrochemicals or other hydrocarbons. The tariff board report traces the development of these man-made fibres and describes the increasingly important place which they have come to occupy in the textile industry. It finds that the share of the Canadian market filled by these fibres expanded very rapidly and without any serious interruption from the time of their introduction in the early 20's until 1951. It notes, however, that in the last seven or eight years the adoption of new processes and improved finishes in the cotton industry, coupled with a decline in the price of cotton and wool from the levels which prevailed in 1950, have tended to check the gains being made by synthetic fibres. The board also notes that new technological developments have been taking place at such a rapid pace within the synthetics industry that it may be described as one which is "constantly devouring its own young". The new "miracle fibre" of one day is superseded in public esteem and consumer acceptance by the newer one of tomorrow. This continuity of eclipse, born of invention and discovery, may have left some sections of the industry with excess or obsolescent capacity.

In this report the board has brought together a great deal of valuable information regarding the man-made fibre industry in Canada; its size, its location, its importance in the economy and the state of its financial health. The picture which emerges is one of diversity rather than uniformity. For this reason the board found it difficult to make unqualified generalizations about the industry. In the report, however, it points out that the industry faces much the same problems as were referred to at length in the report on cotton textiles which I tabled in this house on February 11 of this year, and it emphasizes the following features of the situation:

(1) There is evidence of world-wide overcapacity for the production and processing of man-made fibres; in the board's view, certain units within the Canadian industry are, by any realistic standard, overexpanded.

(2) The industry serves a highly selective market, which demands a wide variety in type, construction and finish of products. The efforts of Canadian mills to meet this demand result in shorter runs and higher unit costs than are typical in the United States, their main source of competition.

(3) In general, the Canadian tariff affords a higher level of protection to the synthetic textile industry than is accorded to the producers of corresponding forms of cotton or wool products. However, this protection varies widely from product to product.

(4) In recent years, at least, important sections of the industry have not been very profitable.

(5) None the less, the Canadian man-made fibre industry and the branch of the weaving industry based upon man-made fibres hold a larger share of the domestic market than does either the Canadian cotton industry or the Canadian wool industry.

The board after much deliberation has concluded that anything in the nature of a general increase in customs duties on man-made fibres and products thereof could not be justified. What recommendations it is prepared to make relate largely to proposed adjustments within the existing framework of tariff protection. The recommendations represent an attempt to achieve a more equitable distribution of the protection available within the present general level of duties, and to remove certain anomalies which now exist. The recommendations also provide for the introduction of a simpler and more logical arrangement of the tariff items.

I should now like to say a word about the main changes. One of these relates to acetate filament yarns. The board finds that the special situation which led to the introduction

of reduced rates of duty on these yarns no longer exists, and recommends that they be made dutiable at the same rates as have all along been applicable to other yarns. The board takes the view that the existing rates on staple fibre—free under the B.P. tariff and 7½ per cent under the M.F.N. tariff—are illogical in the context in which they occur, and it recommends that these rates be increased to 5 per cent and 12½ per cent respectively.

The present rates on the main tariff item, 561, relating to fabrics made from synthetic fibre, are 22½ per cent, B.P. tariff and 25 per cent, plus 30 cents per pound, M.F.N. tariff. The board states that in its view no substantial change in the level of these rates would be justified, but that a rearrangement of the existing compound duty is desirable for two reasons.

First, the progressive trend to lightweight fabrics has meant that weavers of such fabrics have been receiving what might be regarded as less than their share of the protection given the industry. Second, in respect of very heavy fabrics, the additional specific duty of 30 cents per pound results in a total duty burden that is difficult to justify. The recommendation of the board is that the ad valorem component under the M.F.N. tariff be increased from 25 per cent to 30 per cent and that the specific duty thereunder be decreased from 30 cents to 20 cents per pound. No change is suggested in the B.P. rate.

With regard to wearing apparel and other made-up articles of synthetic fibre, the board recommended no change in the rates of duty now provided for under the main item concerned. These rates would remain 20 per cent under the B.P. tariff and 27½ per cent under the M.F.N. tariff. There are minor adjustments affecting some smaller items.

In formulating a revised schedule for natural silk and its products, the board has simplified and reduced the number of tariff classifications and states that in so doing it has been able to recommend decreases in rates which should be of assistance to the Canadian garment industry.

Before concluding, I should like to add a word about tariff negotiations affecting textiles. In my budget speech I said that we had taken steps to initiate negotiations on a number of textile items. Hon. members will be interested to know that at the session of the GATT which recently concluded at Geneva we sought, and have obtained, formal permission to proceed with such negotiations in respect of all the bound textile items under tariff board reference 125. These, of course, include cottons, synthetics and the wool items which remain to be negotiated. Accordingly the way is now clear for us to proceed with these negotiations. They may be expected, however, to occupy some time, since no fewer than 15 countries are involved. I shall, of course, be reporting to the house when the negotiations have been concluded.

GRAIN

REFERENCE OF REPORTS OF WHEAT BOARD AND GRAIN COMMISSION TO AGRICULTURE COMMITTEE

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, if I have unanimous consent I move:

That the annual report of the Canadian wheat board for the crop year ended July 31, 1958, which was tabled on February 6, and the report of the board of grain commissioners for 1958, which was tabled on March 23, and the supplementary report of the Canadian wheat board on the 1957-58 pool accounts for wheat, oats and barley, tabled today, be referred to the standing committee on agriculture and colonization.

Motion agreed to.

BUSINESS OF THE HOUSE

INQUIRY AS TO ADJOURNMENT FOR OPENING OF SEAWAY

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I wonder whether the Prime Minister could inform the house if there is likely to be any adjustment in parliamentary business on June 25 and June 26 to permit members to attend the opening of the seaway?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, while I had no notice of this question, I was thinking of bringing this matter up myself. I feel that if the house should feel constrained to do so, and as I suggested earlier, we might adjourn either for both those days or for a portion of those days, depending upon the wishes of hon. members opposite. I do not want to suggest anything which might in any way be construed by them as an interference with the business of the house, but if there is general consent in that regard then I would certainly feel, under all the circumstances, that there could be no complaint on the part of anyone if the members of the house agreed on the need for an adjournment in order to permit them to participate as they would desire to do.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, if I may make a brief comment, if it is the wish of the Prime Minister to introduce such a motion the members of the C.C.F. party in this house will support the motion. However, we feel that in so far as is possible the house

should devote itself to the public business which is before us, and so our suggestion is that the adjournment be for the minimum time necessary to allow members to attend the seaway celebrations.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I understand that invitations have been sent to some 4,000 or 5,000 persons for the opening on, I believe, June 26. While I do not want to do other than indicate what is in my mind at present, for what it is worth, it would seem to me that on that day at least perhaps parliament might rise and take part in these ceremonies wherever they may be. I understand some of them will be in Montreal and others elsewhere. Then again there is, as Your Honour knows, the Canadian-United States interparliamentary group which will be here for at least three days, one of those days being June 26, and so far as we on this side of the house are concerned it would seem that if the government feel that two days should be taken, that will be a matter for the government to determine. But it would strike me that at least the day on which Her Majesty the Queen and the President of the United States will be in Canada to inaugurate the seaway might well be an occasion for the adjournment of the house.

Mr. Diefenbaker: Mr. Speaker, it would not be a question of what the government would desire, but in view of what has been stated by the hon. member for Laurier and the hon. member for Assiniboia I take it the general feeling is that the adjournment should be for only one day. The government will be only too pleased to make the necessary motion. As a matter of fact, if I can take it the suggestion will be accepted, it might not be necessary to have the formality of a motion. I would simply refer to it on Monday, and with unanimous consent of the house, sir, the adjournment could be restricted to one day, the 26th. After all, we do not want to be placed in a position—and when I say "we" I mean the members of the house as a whole —of adjourning beyond that period which is absolutely necessary under all the circumstances.

THE MINISTRY

INQUIRY AS TO APPOINTMENT OF PARLIAMENTARY SECRETARIES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Perhaps the Prime Minister, in the last few minutes, has been considering another matter about which I should like to ask him a question. Now that he has solved the problem of the appointment of a secretary of state for external affairs, would he inform the house when we might expect to hear about the appointment of parliamentary assistants?

Right Hon. J. G. Diefenbaker (Prime Minister): It is interesting to hear my hon. friend ask that question, because it was he who suggested there should be no appointments made at this session. However, when the government is in a position to make an announcement the house will be made fully aware, not only of the appointments but of the identity of the appointees.

Hon. Paul Martin (Essex East): May I ask the Prime Minister, if no appointments are made before the end of the session, will the appointment of parliamentary assistants be made long ahead of the next session?

Mr. Diefenbaker: There will be no appointments made of parliamentary assistants. The position is parliamentary secretary.

[*Later:*]

Mr. Martin (Essex East): Mr. Speaker, may I ask the Prime Minister if parliamentary secretaries are not appointed before the end of this session will they be appointed well ahead of the next session or near it or during the beginning of the next session of parliament?

Mr. Speaker: Order. I suggest that the hon. member might ask this question on the last day of the session. At the present time it is hypothetical.

Mr. Martin (Essex East): Mr. Speaker, with great respect I do not believe it is hypothetical. The House of Commons has dealt with the matter; it has been dealt with elsewhere. All it requires now is assent, and we want to know whether the hon. gentlemen who are anxiously awaiting appointments are to be satisfied before the end of this session.

Mr. Churchill: What are you waiting for?

Mr. Speaker: I have heard the hon. member's point of order and I still think it is hypothetical.

Mr. Pearson: The appointments are hypothetical.

AIRPORTS

MALTON—REQUEST FOR TABLING OF JUDGMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister. May I ask the Prime Minister if he is now in a position to table the judgment of Mr. Justice Thorson in the Drew case?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not got it here. I think yesterday the hon. gentleman had it, or the Leader of the Opposition had it, and I would have no objection whatever to either of them tabling a copy of the judgment, since it is a public document.

Mr. Chevrier: May I ask this supplementary question. The Prime Minister did undertake to table it—

Mr. Diefenbaker: Yes, and I will.

Mr. Chevrier: While it is true that I had a copy, it is not an original. I think for the purposes of the house the original judgment should be tabled.

Mr. Diefenbaker: I shall be glad to do that. I cannot table the copy I have because I have marked it up, but on Monday I shall do so.

POLYMER CORPORATION

INQUIRY AS TO STRIKE SITUATION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): In the absence of the Minister of Labour I wonder if I could direct question to the Acting Minister of Labour. I wonder if the minister would care to comment on press reports that the long drawn out strike at Sarnia, at the Polymer Corporation, is approaching a settlement and that progress has been made in these negotiations?

Hon. Ellen L. Fairclough (Acting Minister of Labour): I do not think I should comment on that report. If the hon. member will wait until the Minister of Labour returns I am sure he is in possession of all the facts relevant to the matter.

HEALTH INSURANCE

BRITISH COLUMBIA—PROVISION OF OUTPATIENT OR CHRONIC HOSPITAL CARE

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the Minister of National Health and Welfare a question. Is the minister in a position to report on what progress is being made toward providing British Columbia residents with either outpatient or chronic hospital care, as allowed for under the national health insurance act?

Hon. J. W. Monteith (Minister of National Health and Welfare): I should like to thank the hon. member for having given me notice of his intention to ask this question. The British Columbia hospital insurance regulations provide for qualified persons to receive emergency services within 24 hours of being accidentally injured, or to receive minor surgery, both on an outpatient basis. A charge of $2 is made to such person in each instance. Provision is made for extending the 24 hour period relating to emergency outpatient services by the deputy minister of hospital insurance if he is satisfied that emergency services could not be obtained within 24 hours of the accident taking place.

British Columbia makes available insured benefits for the active treatment of chronic illness or disability when, in the opinion of the deputy minister of hospital insurance, the inpatient facilities of a general hospital are required. No proposals have been received from British Columbia to extend outpatient or chronic hospital care benefits.

Mr. Regier: I wonder if I might ask another question. Is our contention correct that hospital care on a general basis is not available to patients with chronic diseases in British Columbia because of reticence on the part of the federal government?

Mr. Monteith (Perth): No, I do not think that contention is correct at all.

NEW BRUNSWICK—INQUIRY AS TO INTENTION TO PARTICIPATE

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): I wish to direct a question to the Minister of National Health and Welfare. Has the minister anything further to add in reply to the question I asked him the other day with regard to the signing of an agreement between New Brunswick and the federal government concerning the Hospital Insurance and Diagnostic Services Act?

Hon. J. W. Monteith (Minister of National Health and Welfare): No, Mr. Speaker.

SHIPPING

MONTREAL-KINGSTON—REPORTED STRIKE THREAT BY PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Transport. The news this morning carries the story that there are difficulties arising in connection with the Montreal-Kingston pilots who, because of unsatisfactory conditions, are threatening to strike. I wonder if the minister has any comment to make on that report.

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. A number of points relating to pilotage in the Montreal harbour and between Montreal and Kingston have been brought forward for consideration and were in fact the subject of a special meeting with the pilots' representative yesterday.

Involved are such matters as facilities for waiting pilots at St. Lambert's lock; improved dispatching arrangements with regard to the canal itself; new rate schedules which have been approved by the pilotage authority and put into effect on a preliminary basis, but which have not yet been ratified by the governor in council; apprentice pilots in the Kingston district, and similar matters.

These are all being followed up by the pilotage officials, and while some may require continuing study the more important ones should be possible of rapid solution.

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. O. H. Phillips (Prince): In view of the fact that a week has passed since I asked the Minister of National Health and Welfare if he would consider tabling correspondence between Premier Matheson of Prince Edward Island and his department with regard to the province's proposed hospital insurance plan, is the minister now in a position to make this correspondence available?

Hon. J. W. Monteith (Minister of National Health and Welfare): No, Mr. Speaker. Immediately following the request made by the hon. member a week ago today I wired the premier of Prince Edward Island, as is customary under the circumstances, asking permission to table the correspondence. As of this date I have received no reply.

[*Later:*]

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Justice if he is in a position today to comply with the order of the house made on March 25, in view of the fact that his estimates are coming up and that what was asked for is likely to be desired for reference purposes during consideration of his estimates.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I doubt if I can do it today. I know that progress has been made with the copying. I expect to be able to do it very shortly, and will endeavour to comply before my estimates are completed.

Mr. Pickersgill: Is the correspondence that voluminous?

Mr. Fulton: The correspondence is quite voluminous. As I told my hon. friend, correspondence both in support of the course taken and against has been received and in view of my hon. friend's careful selection of the correspondence it was necessary to go through quite a sorting process.

Inquiries of the Ministry

HARBOURS

VANCOUVER—INQUIRY AS TO PLANS FOR DEVELOPMENT

On the orders of the day:

Mr. W. H. Payne (Coast-Capilano): I should like to direct a question to the Minister of Transport, a copy of which has been forwarded to him. During the budget debate I brought to the minister's attention the urgent need for future planning in connection with Vancouver harbour. Since then I have had many discussions with the minister regarding this matter. Is the minister now in a position to say anything as to present and future planning to meet the needs of Canada's greatest year-round port?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. I am sure the hon. member for Coast-Capilano, who has taken such a keen and continuing interest in this subject, will be happy to learn that I have approved in principle recommendations made by the national harbours board for a study of the present and future needs of Vancouver harbour. In general the study, which it is tentatively planned will be on an interdepartmental basis, will relate to review of harbour facilities, matters of channel dredging, the building of foreshore areas in the municipalities bordering the harbour, and the selection of new industrial sites. The matter of a terminal railway servicing the greater Vancouver industrial area and the problem of developing adequate approach roads to the main waterfront will also be studied.

I should like to add that such studies with regard to long range future development are in line with national harbours board policy in relation to the various harbours under the board's jurisdiction.

INDUSTRY

FORD COMPANY OF CANADA—REPORTED INTENTION TO INCREASE OWNERSHIP BY U.S. COMPANY

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister; I was unable to send him notice. Can the Prime Minister say whether any study has been made of the report that the Ford Motor Company of the United States has made an offer to purchase up to 75 per cent of the equity stock of the Ford Motor Company of Canada? Has any study been given to the effect of this further control of Canadian industry by an outside corporation?

Mr. Speaker: Order. I am afraid the hon. member is asking a question about a matter

which is beyond the administrative responsibility of the government. Surely this is a private transaction.

EXTERNAL AFFAIRS

COLOMBO PLAN—STATEMENT ON NAMING OF CO-OPERATIVE EXPERT

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker some time ago the hon. member for Assiniboia (Mr. Argue) inquired about a newspaper report to the effect that there had been a delay in assigning a Canadian co-operative expert to India under the Colombo plan.

The newspaper report is not entirely accurate. The request was for an expert to produce a series of films on co-operative activities in India. It was also suggested that we supply film equipment valued at $50,000, which would be required for the project. The suggestion is receiving the attention of our Colombo plan officials.

At no stage in our discussions with the Indian authorities has there been any reluctance about helping the co-operative movement, nor any question about the importance of co-operatives in India. Encouraging progress along co-operative lines is recognized as a reasonable objective of the Colombo plan program, and considerable assistance in this field has already been extended by Canada to a number of Colombo plan countries, including India. An expert on co-operatives was sent to advise the government of India from 1956 to 1958. A group of co-operative officers from seven countries, including India, is now visiting Canada under the Colombo plan to study the work being done in this country.

RUSH-BAGOT TREATY—TABLING OF EXCHANGE OF NOTES

On the orders of the day:

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, in response to the request made yesterday by the Leader of the Opposition I am tabling the exchange of notes which took place earlier this year between Canada and the United States, indicating that a United States proposal to carry out a good-will cruise with 28 United States naval vessels in the great lakes is not inconsistent with the spirit of the Rush-Bagot agreement of 1817 as applied and interpreted by an exchange of notes in 1946.

In requesting that these notes be tabled the Leader of the Opposition suggested that this exchange of notes modified in some way the Rush-Bagot agreement of 1817 concerning naval forces on the great lakes. I should like to make it quite clear that this is not the case. An agreed application and interpretation of the Rush-Bagot agreement of 1817 formed the subject of an exchange of notes between Canada and the United States in 1946. This exchange is to be found in the Canadian treaty series of 1946, No. 40. As a matter of fact, each year Canada and the United States indicate to each other their respective intentions to carry out naval training exercises in the great lakes.

Perhaps the house would wish that these notes be printed in *Hansard*. If so there would be no objection to that being done.

Mr. Speaker: Is it the pleasure of the house that the exchange of notes be printed in *Hansard* as suggested?

Some hon. Members: Agreed.

[*For text of notes referred to above, see appendix.*]

Hon. L. B. Pearson (Leader of the Opposition): May I ask a supplementary question. I thank the minister for the information he has given. Is it the case that this exchange of notes in 1946, with which I was familiar, permits the introduction into the great lakes of any number of United States warships in any circumstances?

Mr. Green: Oh, no, Mr. Speaker. As I understand it, it does not go that far; but there is a very significant phrase in the note from Canada in 1946 with which I am sure the Leader of the Opposition would heartily agree. The note reads in part as follows:

> It has been recognized by both our governments that the detailed provisions of the Rush-Bagot agreement are not applicable to present day conditions, but that as a symbol of friendly relations extending over a period of nearly 130 years the agreement possesses great historic importance. It is thus the spirit of the agreement rather than its detailed provisions which serves to guide our governments in matters relating to naval forces on the great lakes.

I think that is an outstanding statement, and it is in that spirit that the exchange of notes earlier this year took place.

Mr. H. W. Herridge (Kootenay West): I should like to ask the minister a question. Has the government of the United States agreed to the request made by the seaway authority or the minister, I am not sure which, that these ships proceed through the seaway at the rate of two a day?

Mr. Green: Discussions are still going on between the two governments with respect to that question.

GRAIN

BOX CARS—INQUIRY AS TO ACTION ON REPORT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can the minister say whether the government is prepared to take any action on the royal commission recommendation with regard to box cars; in particular, has the minister received representations from the three prairie wheat pools in this regard?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the matter is under active consideration and I—

Mr. Chevrier: And has been for months.

Mr. Churchill: And has been for months. Of course this is a problem which is beyond the understanding of my hon. friend from Laurier, but it is very important to the people out in western Canada.

Mr. McIlraith: Grow up.

Mr. Chevrier: It took a year for the report; it is not beyond anybody else's understanding.

Mr. Churchill: If the hon. member wants to make a speech I will sit down and let him carry on.

Mr. Chevrier: Sure I will.

Mr. Churchill: He is quite vocal today, but he does not know very much about western Canada, and he has no representatives from there with him in this house.

Mr. Martin (Essex East): It will not be long before we will have them.

Mr. Monteith (Perth): The hon. member for Essex East is the agricultural representative.

Mr. Chevrier: You are a little embarrassed about box cars.

Mr. Churchill: I doubt whether the hon. member knows one end of a box car from another. Mr. Speaker, this matter is under consideration and before the house rises this summer I expect to have an announcement of interest not only to the house but to the farmers of western Canada.

Mr. Chevrier: The minister has been saying that for some months.

Mr. Pickersgill: Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Pickersgill: No; I was going to ask a supplementary question.

Mr. Argue: Can the minister say whether the government is considering any action in this regard which would affect the supply and distribution of box cars in the present crop year?

Mr. Churchill: I doubt very much whether any action in this regard will affect the distribution of box cars before July 31, but the box car situation is not a pressing one at the present time at all.

Mr. Argue: Does the minister not feel that action in this regard is necessary in order that quotas shall be equalized by the end of July?

Mr. Churchill: Mr. Speaker, the hon. member for Assiniboia, who argues from a persistent haze, has tried to indicate that there is something wrong with the quota system out in western Canada and has been very critical of the wheat board in charge of that quota system. But last year, before the conclusion of the crop year, all stations were on a 6 or 7-bushel quota. We are ahead this year in the quota situation, and I think before July 31 the same situation will prevail.

Mr. Argue: Can the minister say whether the quotas will be equalized?

Mr. Churchill: There again it is up to the Canadian wheat board to give us that information. I have not the information here, nor has the hon. member. The quotas were brought up to 6 and 7 bushels last year, and that was as close as they could come to exact equalization. I appreciate the fact that my hon. friend wants everybody to be exactly the same, no matter what the situation is.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether the minister can tell the house precisely what is the difference between one end of a box car and another?

Mr. Churchill: I expected a question like that from my prairie schooner friend.

AGRICULTURE

SASKATCHEWAN—INQUIRY AS TO ASSISTANCE IN DRY AREAS

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister advise the house of the situation in southern Saskatchewan in regard to pasture and hay? Has the government given consideration to instituting, in co-operation with the province, a scheme similar to that in operation last year to provide assistance in the movement of hay into dry areas and cattle out of them?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, as I think most members of the house are aware, conditions have been very dry in southern Saskatchewan this year. Fortunately there have been some rains. I think about three days ago, on June 9, there were rains ranging down from something like two-thirds of an inch in Regina which has carried the situation forward for the next few days. However, it is apparent that there will be an extremely short hay crop even if we get good rains from now on. If there is reasonable moisture, of course, that deficiency can be made up by the planting of green feed, and thus I think it is a little early as yet to say what we should do in the way of an assistance program such as we had last year.

The minister of agriculture of Saskatchewan has been in touch with me in connection with this matter and I have told him that if the situation becomes worse we, of course, shall be prepared to go ahead on much the same basis as we did last year in assisting in the movement of hay into the dry areas and cattle out of those areas.

SUPPLY

The house in committee of supply, Mr. Sevigny in the chair.

DEPARTMENT OF TRANSPORT

Air services—

425. Construction services administration, $2,809,785.

Mr. Pickersgill: Mr. Chairman, I had asked the minister a question last night about the component elements of this vote, and then there were some eulogistic statements made and the minister did not have a chance to answer me. Perhaps he will do so now.

Mr. Hees: Mr. Chairman, I am afraid I do not remember the question.

Mr. Pickersgill: I shall be very glad to assist the minister by repeating my question. This vote is for practically $3 million. The minister suggested that it was for overhead. It struck me as rather high from that point of view, and I wondered whether a little more thorough explanation should not be given.

Mr. Hees: The explanation of the vote is that it is for the salaries of 506 positions on the engineering, technical and clerical staff and the other office and field expenses of the air services construction branch, Ottawa headquarters and in six air services regions. This organization supervises the construction of and major repairs to various types of installations and equipment required in the maintenance of airways and is engaged from time to time in certain activities related to the housing of employees of the telecommunications and meteorological branches. This organization also supervises the construction of landing strips and facilities on behalf of the Department of National Defence. Treasury board in December, 1958 approved the absorption by transport of the salary costs of 100 positions formerly shown as recoverable from national defence.

Mr. Pickersgill: So, to put it very briefly, it is in fact purely overhead. No costs of construction as such are included.

Mr. Hees: We call it supervision, administration and engineering.

Mr. Pickersgill: The minister is a businessman and in business that is what would be called overhead.

Item agreed to.

Telecommunications branch—

Radio aids to air and marine navigation—

426. Administration, operation and maintenance, $16,628,508.

Mr. Nielsen: Mr. Chairman, I should like to draw the minister's attention to one or two factors concerning the operation of Canadian National Telegraphs and their management of the northern communications system in the Yukon and British Columbia.

The Department of Transport and Canadian National Telegraphs constitute the second largest federal government employer in the Yukon, and questions relating to the welfare of personnel are very important. Certain unintentional, I am sure, discriminations exist in the northern allowance regulations in various sectors of the operations of Canadian National Telegraphs. I quite realize that Canadian National Telegraphs is a crown corporation and that any regulations concerning northern allowances must be arrived at as a result of discussion and agreement between Canadian National Railways and the telegraphers' union, and that any change in allowances can only be made as the result of negotiations between the management of the company and the union.

However, perhaps it might be suggested to the management of Canadian National that they take the initiative in bringing this matter to a head. C.N.T. employees in the north are required to live under the same conditions as other government employees, yet they are not given the same treatment extended to employees of the Department of Transport. Northern allowances are a factor which could be improved so far as employees of Canadian National Telegraphs in the Yukon are concerned.

Another matter which would bear some investigation is the question of housing for C.N.T. employees, particularly the standard of housing, the rents charged and the facilities offered in relation to the housing supplied to other federal government employees in the area. As I have said, I realize that Canadian National Telegraphs is a crown corporation and a separate entity, but again I urge the minister to consider action to place C.N.T. employees on a plane equal to that of other government employees in the area. This applies not only to housing and northern allowances but to all other benefits. As I view the matter, Mr. Chairman, the only way any effective action can be taken is for the minister to suggest to the management of the C.N.R. that they take the initiative in bringing about these improvements.

The other matter I wish to raise under this item is the question of communications between White Horse and north central and northern Yukon. I am referring now specifically to the implementation of land lines communications between these points.

Several years ago, under the previous administration, the capital of the Yukon was moved from Dawson City down to Whitehorse. The excuse given was that Dawson City lacked the communications necessary to support the capital, and the people there still remember this. Their argument was, why were the communications not brought up to that area? I have been urging for about two years now that the department implement land lines communications to Dawson City and the Mayo area, including Elsa, Calumet and Keno.

Apart from the essential services that communications themselves provide the people in those areas, it is of advantage from this point of view; that C.B.C. radio is possible on an economic basis only if land line facilities are available. Low power repeater transmitters can be installed to give coverage to these areas if land lines are established, but not otherwise. Favourable consideration of this submission in the near future could well result in favourable consideration by the C.B.C. of the application for extension of their radio service to this area.

Now, should the Canadian National decide to go ahead with the construction of land line facilities, I have one further point to make. It seems to me, Mr. Chairman, that Canadian National Telegraphs should not be undertaking the construction of new facilities in competition with private enterprise. I do not believe there would be any quarrel in so far as the maintenance of existing facilities of the crown corporation are concerned. However, when it comes to new construction I feel that a line should be drawn and the government should not enter into open competition with private enterprise. I refer now to the construction of the pole lines.

Should the minister and the Canadian National management feel that the construction of additional communication facilities is justified, I submit these new pole lines should be constructed by private enterprise under tender. The same remarks apply to the construction of new buildings. For many years the Canadian National has been constructing new buildings and has been contracting all the subtrades on a day labour basis. I feel that this is wrong. I feel that this type of construction should be done by public tender.

This would eliminate the undesirable practice which has existed for so long in the past of the government competing with private contractors. This is doubly important in a frontier area such as the Yukon where small contractors are struggling for existence and trying to build themselves up to a point where they can handle anything that comes along. The growth of small, independent contractors should be fostered and developed by wise government policies. I would suggest that one of these government policies should be the cessation of competition which is now being undertaken by government agencies, such as Canadian National Telegraphs, with private enterprise.

There are three questions I desire to ask, Mr. Chairman, but I do not suggest that the information could be supplied today. I should like to know the landed cost of poles used by Canadian National Telegraphs at Watson lake, at Whitehorse and at mile 1202. It is my belief that local timber and local labour could be used to supply these poles for construction work now being carried on in the Yukon, rather than the utilization of poles from outside sources. When I say "outside" I mean British Columbia or Alberta.

The other specific question, Mr. Chairman, refers to the profits of the northwest communications system during the last fiscal year. I should like to know what those profits were. In this connection I am wondering whether it is the intention of Canadian National Telegraphs to publish an annual report somewhat similar to that published by the Northern Transportation Company, Polymer and other crown corporations. It may be of advantage to have that information. These are the specific questions I have, Mr. Chairman, but as I say it is not essential that I have the information immediately. If it is supplied to me later on I will be quite happy.

Mr. Chevrier: This is a very large vote, as the minister knows. I wonder whether he would not give the committee some breakdown. We all agree that radio aids to air and marine navigation are extremely important to the telecommunications branch of the department, but vote 426 as well as the next one are extremely important. These votes together amount to almost $30 million, and I think in fairness to the committee we should not let these two items, which are so substantial, go through without a more detailed explanation from the minister. I wonder if he would not deal first with item 426?

Mr. Hees: Yes, I shall be glad to do so, Mr. Chairman. This appropriation provides for the administration, operation and maintenance of radio aids to air and marine navigation. Radio aids servicing aircraft extend from Newfoundland to the Yukon Territory along routes used by T.C.A., C.P.A., Maritime Central Airways, Pacific Western and other Canadian air lines as well as foreign air lines flying over Canadian territory, and Canadian and United States military aircraft.

Facilities comprise 136 air radio stations, including 97 LF radio ranges, 6 VHF radio ranges, 50 beacons, 10 fan markers, 28 ILS systems with 31 associated beacons, 7 messing establishments for employees at remote locations and 6 shops for servicing radio in departmental aircraft. The radio aids serving vessels may be divided into four groups; on the west coast, on the great lakes, and on the east coast; gulf of St. Lawrence, Hudson bay and straits, serving vessels of Canadian and foreign registry. The facilities comprise 95 marine radio stations including 34 coast stations, 56 beacons, 11 coast stations which also provide a direction finding service, 6 Loran stations, 174 lighthouse radiotelephone installation, 8 messing establishments for employees at remote locations, and facilities to maintain the radio equipment on 56 government vessels.

Mr. Chevrier: I wonder if I could inquire just what the position is with reference to new aids on additional routes. Has the department established new beams and new aids on additional routes in the far north or in the eastern Arctic?

Mr. Hees: There is a steady expansion right across the country and into the eastern Arctic as well. If the hon. member would like more details I will get them.

Mr. Chevrier: What I should like to know is this. There is an increase of $2,500,000 in this vote. First I should like to know whether instrument landing systems have been established at all the large airports or whether ground countrol is being substituted for them. Where are ground control approaches installed? Is the one at Gander operating satisfactorily?

Mr. Hees: Yes, Mr. Chairman. That is the only one where ground control approach has been established.

Mr. Chevrier: Is it the intention to substitute ground control approach for the I.L.S. at other main airports of Canada?

Mr. Hees: Not to substitute them but to add them.

Mr. Chevrier: Can the minister give some indication as to where the ground control approaches, which I understand are superior to the I.L.S., will be installed?

Mr. Hees: No. This program is under study at the present time. There is nothing new in this year's estimates for it.

Mr. Chevrier: I note that in the minister's statement some mention is made of the Loran stations. I take it that these are stations which have been taken over from the United States in Newfoundland and perhaps in other parts of Canada where the United States was operating. Can the minister give us the location of these stations and what is the cost incidental to their operation?

Mr. Hees: Yes. Those are United States marine stations that date back to world war II. The locations are Newfoundland, Labrador and British Columbia.

Mr. Chevrier: What about the northwest staging route? Is provision for the air services for that route as well as the eastern passage contained in this vote?

Mr. Hees: Yes; all radio aids for airways are included in this vote.

The Chairman: Shall vote 426 carry?

Mr. Fisher: I wanted to raise one matter just to try to get a bit more information. It all revolves around the several tragic accidents that took place in connection with oil drilling rigs. Specifically, an accident took place in lake Erie in November, 1958 in which a number of lives were lost. The inquest did not make specifically clear where the blame lay. Subsequently there was some discussion as to the radio facilities that were available to the men on the rig and as to their adequacy.

I have checked with the officials of the department and they have satisfied me that in so far as the Department of Transport is concerned, there was no great responsibility; but the attorney general of Ontario had undertaken in the provincial legislative assembly —I have forgotten the date but I think it

was February 3, 1959—to have an investigation into the matter. I just wondered whether the minister can inform me whether the case has been reopened in any way or whether further checks have been made to discover whether all reasonable precautions were taken in this particular case in so far as the Department of Transport is concerned. Can he give some idea as to whether, from the point of view of the Department of Transport, things have been tightened up for the future? There are more oil rigs out in the lake at the present time, and we would hate to see a repetition of that particular disaster.

Mr. Hees: I am advised that they had their own radio installation which was properly licensed, but that there is upon them no requirement to have a radio installation of this kind. They had one, however, and it was properly licensed.

Mr. Fisher: The story was that it was quite inadequate for the job and was not able to contact anyone in time or could not do so. As a matter of fact, according to one of the stories at the inquest it was not operating at the time. Since the lives of these men in such a position are in constant jeopardy in a lake such as this, I was just wondering whether the Department of Transport could not make a closer check or work more closely with the Canada labour relations board or whatever the authority is which has the responsibility from the point of view of safety.

Mr. Hees: I do not believe we have any jurisdiction in a case of this kind to require the company to operate any differently from the way in which they choose to operate. It is their responsibility.

Mr. Fisher: Mr. Chairman, as I understand the matter neither the provincial government nor the federal government has accepted responsibility in this particular case, or at least it had not been defined. That was, in effect, the admission of the attorney general. Here you have a complicated situation where a provincial department of labour is involved and perhaps the federal Department of Labour. You have the whole question of something operating out in marine channels, a matter which surely comes under the Department of Transport. You have the question of the use of radio facilities, a matter which surely comes under the Department of Transport.

It would be a pity if we had a repetition of this kind of tragedy merely because somebody said, "It is not our responsibility to take the initiative". All I should like to know is whether you are showing any initiative in trying to make sure that this type of accident does not occur again. It does not seem to me that it is enough to say, "This is not our jurisdiction" inasmuch as it is partially your jurisdiction.

Mr. Hees: In view of what the hon. member has said, Mr. Chairman, and in view of the importance of this matter we shall be glad to look into it and see what can be done. We will give the hon. member a report later on.

The Chairman: Shall vote 426 carry?

Mr. Stewart: Mr. Chairman, I had a few observations to make with respect to radiotelephone equipment used by fishermen, but possibly that matter comes under item 428.

Item agreed to.

427. Construction or acquisition of buildings, works, land and equipment, $14,044,100.

Mr. Chevrier: This vote, which is again a very large one, has to do with the construction of works relative to the telecommunications branch. Will the minister not give the committee some idea of what is included in it.

Mr. Hees: I shall be very glad to do so, Mr. Chairman. The breakdown is as follows: the visual omni-range program, $582,000; instrument landing systems, $867,000; radar, $692,000; low and high frequency aids, $3,795,250; communications, $5,470,845; living accommodation, $1,913,500; miscellaneous aids to navigation, $2,012,650; construction or acquisition of equipment, $778,150.

Mr. Chevrier: Does that mean that we are still continuing to install I.L.S. stations at certain airports?

Mr. Hees: Yes, and we are expanding the system.

Mr. Chevrier: How do you find the I.L.S. working as opposed to the ground control approach system?

Mr. Hees: It is an improved international system which works well. The ground approach is a supplement.

Mr. Chevrier: I would think it is the other way around. I would think the I.L.S. is a good system but that it is gradually becoming obsolete and is being supplanted in international air service by the ground control approach which, of course, is far more expensive than the other systems. While I.L.S. is good up to a certain point, I wonder why more money is being spent on I.L.S. if, as I believe—and I may be wrong—the I.L.S. is becoming obsolete and will become obsolete in the not too distant future.

Mr. Hees: I am advised that I.L.S. is still the basic requirement and it is approved and recognized as such by the international civil aviation organization.

Mr. Chevrier: Why is it necessary to spend practically $4 million on low and high frequency facilities? Where would they be installed?

Mr. Hees: Airway beacons, marine beacons and a large variety of other installations. Does the hon. member want all the locations? I have them here.

Mr. Chevrier: No, but I would like an explanation as to why it is necessary to spend this substantial sum of money on high and low frequencies. Is it because there has been an increase in the services required?

Mr. Hees: Because these are still basic requirements for navigation, and this service is being steadily increased in the north and in other parts of the country.

Mr. Chevrier: Can the minister give some explanation of the visual omni-range facilities which are included in this vote?

Mr. Hees: This is a new system, Mr. Chairman, which covers a 360 degree range instead of the previous 4-track.

Item agreed to.

The Chairman: Order. The hon. member for Port Arthur wishes to ask a question on item 428 but he has to be absent from the house for a few minutes. Is the committee agreeable to pass on to item 429 and then come back to item 428?

Mr. Stewart: Mr. Chairman, I want to speak on item 428.

The Chairman: Then we will proceed with 428.

Radio Act and regulations—

428. Administration, operation and maintenance, including Canada's share of the costs of the international radio, telegraph and telephone organizations listed in the details of the estimates, $2,645,708.

Mr. Stewart: Mr. Chairman, on behalf of the fishermen of my constituency who are great users of radiotelephone equipment, which equipment is most essential to the operation of the fleet, I would like at this time to thank the Minister of Transport and his officials for the consideration and understanding they have shown to the fishermen over the past year and a half. I realize, and I think they realize now, that certain regulations are necessary and certain restrictions must be imposed in order that the use of this equipment will not interfere with commercial or other uses. All I am asking on their behalf is that the department exercise a little leniency and consideration in the changing or evolving of regulations which they deem necessary so that hardship will not be imposed on these fishermen. Many of the fishermen have purchased this equipment at considerable expense and sacrifice, and if they were asked in a quick changeover to purchase new equipment it would cause some considerable hardship. I am asking for this matter to be taken into account in consideration of this problem.

Mr. Pickersgill: Mr. Chairman, before the minister answers, if I understood correctly what the hon. member was saying I would like to join him in his appeal, because I do think this is an important matter. I understand why the department wants to do these things, and I am very sympathetic and I have found the department very sympathetic, I must say; but perhaps even a little more sympathy would be helpful.

Mr. Hees: Yes, Mr. Chairman; I am very glad to accede to the very reasonable request of the two hon. members who have just spoken.

Mr. Herridge: Mr. Chairman, I have been inclined to get my feet tangled between the Department of Transport and the C.B.C. when it comes to television and radio stations, but I understand I have now landed in the right spot in making my remarks on this particular item, 428. The minister knows that the southern interior of British Columbia has not enjoyed Canadian television to date and has been looking forward to it very much. There is some piped-in United States television in one or two of the smaller cities, but early last year their hopes were raised by the announcement of the C.B.C. that C.B.C. television was going to be provided to the Rossland-Trail area. I would like to quote briefly from an editorial in the Trail *Times* of June 28 in this respect, which reads in part as follows:

> The opportunity to view Canadian television will be welcomed by west Kootenay citizens. The stuff they have been accustomed to viewing from U.S. T.V. stations is pretty low grade entertainment, and in any event has no Canadian tradition or viewpoint, particularly news-wise.

I might say, Mr Chairman, that the Trail *Times* on this occasion expresses the viewpoint of the large majority of the people in the constituency I have the honour to represent. However, nothing happened. Then the Trail chamber of commerce got somewhat concerned about the matter and wrote the C.B.C. as to the delay. Of course there are always local rumours about sites being obtained and engineering studies being made, but nothing very concrete. Then Mr. J. A. Ouimet wrote to this effect to the president of the Trail chamber of commerce:

> Firstly, we have not yet been able to obtain a site to our satisfaction; secondly the estimate of time to establish network connection to such a station by

the telephone company is 12 to 18 months; and in the third place, since the new legislation came into effect last November, it is necessary for us to make application to the Department of Transport for authority to establish the station.

Then he went on to say:

We expect that this application will be considered by the new board of broadcast governors at its March meeting. Consequently there is no chance of this station being established before the royal visit; in fact it would look as if it could not be in operation until about mid-1960—

I might point out here, Mr. Chairman, that the original announcement was that it was expected to be in operation by mid-1959. Now, Mr. Chairman, the people of the district are very anxious to have these facilities at the earliest possible date. I have answered various letters and made various inquiries, but I would appreciate it if the minister would inform the house as to the reasons for the delay and say when the people of the district can expect television service to be provided.

Mr. Hees: Mr. Chairman, I am not clear as to the application that has been delayed. Is it an application to bring in C.B.C. television?

Mr. Herridge: Yes.

Mr. Hees: Well, Mr. Chairman, I am afraid the hon. member will have to take that up with the minister who answers for the C.B.C. in the house, the Minister of National Revenue. He deals with all C.B.C. matters.

Mr. Herridge: But Mr. Chairman, I am always getting involved between these two departments. Is not the minister's department responsible for the construction of the facilities and responsible for dealing with the telephone company which provides them?

Mr. Hees: No, Mr. Chairman.

Mr. Herridge: Then I am wrong again. Does the same apply to the low power relay stations?

Mr. Hees: Yes.

Mr. Herridge: Well, I would like to get this cleared up once and for all. I have been wandering in a fog for years with respect to television.

Mr. Pickersgill: Is the hon. member sure it is not the minister?

Mr. Herridge: Would the minister inform the house what are the responsibilities of his department with respect to the provision of television and radio facilities in Canada? What part of these projects does his department undertake? I made a special inquiry about this and I was told I was right on the dot this morning, and I find once again I am off the beam.

Mr. Hees: We perform three functions. We allocate frequencies, we approve the technical plans of a company making an application, making sure they conform with engineering specifications, and we also issue licences on the recommendation of the board of broadcast governors.

Mr. Herridge: In this correspondance the C.B.C. write to the chamber of commerce and say, giving one reason for the delay, that it is necessary for them to make application to the Department of Transport for authority to establish a station. Has the Department of Transport given the C.B.C. authority to establish this station?

Mr. Hees: My officials are not aware of any application having been received. We will check that.

Mr. Chevrier: If I may just interpose here, may I say that I am interested, in what the hon. member for Kootenay West has brought to the committee's attention. My understanding of the whole matter is that when an application is made for either radio or television facilities it is made to the Department of Transport, and it is this department, referring the matter to its technical officers, which determines first of all whether there is an area in which a station can be established. Having determined whether that area, that frequency, exists or not, it is then up to the Minister of National Revenue, who is responsible for the C.B.C. to bring an application before the board of governors to determine whether or not the submission of the private individual or public body should be approved. If the answer is in the affirmative, the matter goes back to the Department of Transport which issues the licence.

The construction, if I understand this rightly, is to be done by the applicant, and I do not think either of the departments is concerned with it, save that it must be carried out in accordance with the specifications of the Department of Transport.

I think it is important that we have that procedure clearly established, because I agree with the hon. member for Kootenay West that there is a lack of clarity about the duties of the two ministers. One has to do with the operations of the broadcasting corporation and the other with radio facilities. Perhaps the minister would supplement what I have said; I think that might be helpful.

Mr. Hees: No, I think the hon. member for Laurier is quite correct and that what he has stated is, in essence, what I said earlier. One might summarize the functions of the

two departments as follows. The Department of National Revenue, through the board of broadcast governors, deals with economic matters, and the Department of Transport deals with technical matters.

Mr. Herridge: Well, that has been cleared up to some extent, thanks to the hon. member for Laurier, who I think has helped us out considerably.

Now I come to another question which fogs me up and I know it fogs up other members, too. That is the question of piped-in television. There is piped-in television in the cities of Nelson and Trail. Apparently it is possible for local companies to get licences from the Department of Transport, but the department does not exercise any control with respect to the prices charged. When you go to the public utilities commission in Victoria they say, "We exercise no control over this; it is licensed by the Department of Transport". There has been considerable complaint in this respect, and I should like to ask the minister if something could not be done in consultation with the appropriate provincial authorities in order that proper responsibility may be accepted.

It seems to me that the department which issues the licences, should have some control over the tariff and fees charged by the licensee.

I do not want to have the minister getting up too frequently and tiring himself out too soon, so my second question is this. I have received correspondence from people who want to establish what they call reflector stations. We have one or two co-operative groups in my constituency, and I understand they want to put a reflector on top of a mountain and reflect signals from the United States down to their patrons in the valleys below. I understand that permission to do this has been refused, because it is against a regulation, or against the law, or something of that kind.

Would the minister mind explaining to the committee the difference in the regulations in so far as they concern these two types of television and second, would he tell us whether something cannot be done with respect to continuity between licensing and the various charges which are being imposed by the organizers of piped-in television, charges which in some cases are exorbitant. A man pays $150 to have the installation in his house. Then he leaves and a new tenant comes in, and this new tenant is required to pay all the installation charges all over again. Then, third, I should like the minister to tell us what is the distinction between piped-in television and reflected television. I understood some time ago that the department intended to investigate this system of reflected television and see what was to be done about it, but I am still as foggy as ever.

Mr. Hees: I tried as best I could to follow what the hon. member was saying. In the first place, we do not have any control over the tariffs which a company operating a piped-in television service can charge. That is a free enterprise operation and it is up to the municipality which will be served to decide whether or not the prices charger are fair and reasonable. If they are not, there is no obligation on anyone to subscribe to the service.

Mr. Herridge: I am glad the minister mentioned that. Does he know of any municipalities which regulate the charges with respect to piped-in television?

Mr. Hees: When I said "municipality" I had in mind the people in the municipality who are receiving the service. If they think the charge is too high they do not have to pay for it.

Mr. Herridge: Like the telephone; there is no regulation. What about the other question concerning this reflected television? Companies and small groups have made application for the right to instal what they call a reflector television station; they put reflectors on top of a mountain and reflect the program into the surrounding valleys. Rather that is what they would like to do, but they are not permitted to do it.

Mr. Hees: We issue licences for both piped-in television and reflector television, but we do not issue licences just to bring in United States programs of either type if a Canadian program is available. I think in the areas of which the hon. member is speaking there is a piped-in service from Lethbridge available and, as I understand it, he wants us to license a reflector system which would bring in United States programs. Is that correct?

Mr. Herridge: Mr. Chairman, there is piped-in television in the cities of Nelson and Trail, but there are vast expanses of my constituency where there is no television and where there will not be any television even when the C.B.C. transmitter is installed on the summit near Rossland. These people want the right to have some form of television. They got together and collected a certain amount of capital, and they have asked to be allowed to instal reflector equipment. I do not understand the mechanics of it.

Mr. Hees: I am advised we have received no application in respect of a United States program to serve areas to which Canadian television is not available. I do not know whether or not a licence would be issued—

that would be a matter for the board of broadcast governors—but I suggest to the hon. member that he might propose to the company or group concerned with this reflector system in areas to which Canadian television is not available that they put in an application. I think there is a good chance that it would be approved, though of course that is a matter for the board.

Mr. Herridge: I want to inform the minister that an application has been made by one co-operative in my constituency to the Department of Transport, the appropriate department, and the application has been rejected twice.

Mr. Hees: To help me, will the hon. member identify the application and supply us with the company's name?

Mr. Herridge: It is the Crescent valley or Slocan valley community co-operative.

Mr. Hicks: I have exactly the same situation—

Mr. Hees: Could I just follow that up? Well, Mr. Chairman, if the hon. member says the application is here it must be here, but my officials tell me they do not have any knowledge of it. However, they will certainly check on it right away and get in touch with the hon. member about it as soon as possible.

Mr. Herridge: Thank you.

Mr. Hicks: I have a case exactly the same as my hon. friend's; and it has to do with Boston Bar in the Fraser valley. They cannot get any television at all in their area and they have been talking of a proposition to put a reflector up on the mountain. They are very keen to get television in Boston Bar. I should like to know first where the authority lies and what action one must take to get television?

Mr. Hees: Mr. Chairman, my answer to the hon. member is that if an application is received and there is no other Canadian television service available, it would certainly receive, I believe, favourable consideration from the board of broadcast governors. I must remind my hon. friend and the hon. member for Kootenay West that that decision is up to the board of broadcast governors to make, and not my department. But I would suggest that those co-operatives or companies get their applications in right away. If the hon. member for Kootenay West says the application is in we will check on it right away.

Mr. Herridge: The matter was taken up, I think, two or three years ago. During the lunch hour I will look up the correspondence and let the minister have it so he will understand what I am talking about.

Mr. Pickersgill: Before the item carries, I think my question is one which properly comes under the Minister of Transport. Can the minister tell us whether a site has been found and approved for a television transmitter, either a relay station or an independent transmitter, in the Gander-Grand Falls area which would serve the northern part of my riding? The question as to whether this would be done by the C.B.C. or by a private station I know is not within the minister's competence, but the question of whether one can be there at all, whether there is a channel and whether there is a site, is. I would like to know what progress has been made?

Mr. Hees: I am advised that an application was in but that it has been withdrawn.

Mr. Pickersgill: An application for what, precisely?

Mr. Hees: For television at Grand Falls.

Mr. Pickersgill: I have not made my position clear. What I wanted to know was whether the department had approved a site and a channel. I am not interested at this stage in the application, because that would go before the board of broadcast governors.

Mr. Hees: Yes, we did approve a site in this area.

Mr. Pickersgill: And a channel?

Mr. Hees: Yes, but the application was withdrawn.

Mr. McQuillan: I should like the minister to tell us whether the regulations permitting the erection of a reflector television station are under the jurisdiction of his department or under the jurisdiction of the C.B.C.?

Mr. Hees: Mr. Chairman, this is government policy designed to protect existing channels for Canadian broadcasting.

Mr. McQuillan: It seems rather strange that in the city of Vancouver they have the privilege of turning the dial and tuning in a United States station, while 100 miles up the coast we cannot get a reflector licence for a United States station. I do not know whether they are trying to keep that part of the country pure Canadian or what.

Mr. Hees: I would suggest to the hon. member that if he would speak to my officials about this particular case we will give it consideration.

Mr. Regnier: I should like to ask the minister whether the Department of Transport

has jurisdiction over the allocation of channels, and whether the board of broadcast governors made recommendations in connection with satellite television stations.

Mr. Hees: The Department of Transport has jurisdiction over the allocation of channels, but before any licence would be issued the board of broadcast governors would have to pass on the application and then pass it back to us for signature.

Mr. Regnier: If the application is passed by the board of broadcast governors, is that final?

Mr. Hees: No; final authority is vested in the government, which means the Minister of Transport.

Mr. Pickersgill: Do those licences not have to be approved by the governor in council?

Mr. Hees: Yes, they do. They come to the Minister of Transport and he signs them; then they go forward to the governor in council for final approval.

Mr. Pickersgill: I thought, because of the way the minister put it, he rather suggested the governor in council was a rubber stamp. Some of us feel that under the present administration, he is.

Mr. Hees: No. I was going to say that in so far as the past government was concerned it might be true, but with respect to this government it is far from being true.

Mr. McFarlane: I certainly support the previous members and also the contentions they have raised relative to the reception of television programs. I may be able to add a little light to what the hon. member for Kootenay West had to say on this matter. I have had this matter under consideration with the Department of Transport and also with the board of broadcast governors. A firm in our area has already piped in television programs, but with the use of a multiplexor—these are rather technical terms—they have requested permission to add channel 4 at Spokane to improve our reception from a point on the microwave system to Moyie mountain.

They also presented a brief on the matter. It is not their intention to use any more frequencies or bands than they are now using, but it would definitely give us much better reception of United States programs. In view of the fact that a good many of our C.B.C. programs originate in the United States and that we have this complex microwave system going across Canada only a few miles away from our own area, this should be made available to us. The companies concerned are not asking the government to spend terrific sums of money to instal this multiplexor, but at the same time I feel we should have some consideration from the department so that we can get better television in our area.

We are situated right in the rocky mountains, and it is practically impossible for us to receive programs from Vancouver or from the east, although we do get fair reception from the Lethbridge station. Our programs are piped in by a private company. We have the support of all the chambers of commerce and the various public organizations in the east and also in the west Kootenays. I understand that the department have included the east and west Kootenay in a study as to the installation of a station, but at the same time I can see that it is going to be quite some time before this becomes a fact. Also there is the present system which does not include television or radio reception to remote areas. In our large district it is practically impossible to get reception that would be of benefit to all of east Kootenay. I should like to ask the minister whether he would give our request to let us tie in with our present microwave system some consideration.

Incidentally, I have a letter on my desk from the department saying that they do not see eye to eye with me. I may say this is not the first time we have not seen eye to eye, but I am going to look into some other angles of the question. At the present time we are within a very short distance of the microwave system, and in my opinion the policy originally laid down for radio and television is now obsolete and I think we should take a long look at it.

I would request the minister to reconsider his stand on the matter because I can see it will be some time before we get a television booster station. By allowing us to connect with the present microwave system we will be able to have better reception of Spokane and other United States programs which are available to many others parts of British Columbia situated to better advantage than we are in Kootenay East, where we are right in the centre of the Rocky mountains.

Mr. Hees: In view of what the hon. member has said I will be very glad to give further consideration to his representations.

Mr. Drysdale: Mr. Chairman, I regret that I have not had an opportunity to check the facts and I should like the minister to correct me if I am wrong with respect to the situation as to the use of radiotelephones. I have a tremendous number of fishermen in my area, and I have been receiving complaints on the basis that the Department of Transport requires a $50 deposit which I believe is to ensure the payment of charges

for radiotelephone calls. This is the same amount that is required for deep sea vessels which range around the world. If the facts as I have stated them are correct, I would ask the minister to give consideration to having the deposit reduced to $10 or $15.

Mr. Hees: I am advised that the $50 is to cover the charges that are incurred during the year's operations, and the reason it is the same for big and small vessels is that the charges are the same irrespective of the size of the vessel. The charge is made for the service.

Mr. Drysdale: Could the minister indicate what type of charge the $50 covers?

Mr. Hees: It is for long distance telephone calls that the people who operate these radiotelephones put through our system.

Mr. Drysdale: I am glad to see my facts are correct, because that is the point these people are trying to make. All these long distance calls are billed to the fishermen's home. I think the situation is entirely different where you have deep sea vessels ranging around the world and you want to make sure that the calls are paid for. When the charge is made directly to the fishermen's home I do not see how that difficulty could arise, and because of that difference I would suggest that a charge of $10 or $15 would be reasonable.

Mr. Hees: I am advised that we are quite willing to let a group get together and make a community deposit. It is not our intention to require a deposit for any more than we think will be required to cover the charges made for the use of the service through our system.

Mr. Fisher: Yesterday I asked a question with regard to whether a person who is not a citizen can have a radiotelephone. The minister's answer is on page 4576 of *Hansard,* and is not too clear. To bring the matter a little more closely to his attention I will read this extract from Pierre Berton's column in the Toronto *Star* of March 4, 1959. He says:

> Oddly enough, the same day a young Danish immigrant, Mr. Earl Fich from Stouffville came to see me. He has a business which requires a telephone in his car. But he can't get a telephone in his car because he is not a British subject or a Canadian citizen. He could get one by forming a company but that would cost at least $250 in legal fees.
>
> I called the Department of Transport about this and was told that the law dated back before 1936 and had something to do with security—a word used these days to excuse any kind of foolishness. D.O.T. added, in defence of itself, that nobody had made a presentation urging the law be changed. Is it really necessary for Mr. Fich to send a lobby to Ottawa to get rid of an inane and outdated law?

Would the minister comment on that?

Mr. Hees: The Radio Act requires that the holder of a licence for a radiotelephone be a British subject, but a landed immigrant can be authorized to operate a radiotelephone.

Mr. Fisher: But he cannot own one in his own business.

Mr. Hees: That is right.

Mr. Fisher: Just take this case, for example. I cannot see why this particular chap could not produce some sort of bona fide to prove that he was a good security risk. Is it because of security that the licence will not be issued?

Mr. Hees: It is simply a matter of what the law says. The law requires that the holder of a radiotelephone licence shall be a British subject. It is not a question of our making regulations to make it easier for this particular person.

Mr. Fisher: Let us look at the anomaly here. A young man or young woman comes to this country and cannot become a citizen for five years. They establish themselves very quickly and they may get into a business where they can use a radiotelephone, but they have to circumnavigate the law. In his answer the minister has pointed out that they can circumnavigate it. It seems to me that the law should be changed. I would ask, as Mr. Berton has asked, whether it is necessary to send a lobby here in order to change the law.

Mr. Pickersgill: As a matter of fact the hon. gentleman is a member of parliament like the rest of us, and he can introduce a bill to change the law. So can the minister, and I think it would be a good thing if the minister would do so, because it would have more chance of getting through. This law was passed in 1936 when I am sure radiotelephones in motor cars were not contemplated at all. It really applied to broadcasting stations and things of that sort. As the hon. member has said, it is an absolutely silly thing to apply it to radiotelephones in motor cars. I would suggest that the hon. member might appeal to the minister to bring in an amendment to the law during the next session. I do not think I would appeal to him to do it at this session.

Mr. Hees: We will be very glad to look into the matter further and see if anything can be done in this regard under the regulations.

Mr. Fisher: I have one other point. I also asked the minister a question about model apparatus, and his answer was to the effect that new radio regulations were promulgated on April 1, 1958 and are continuously under

review, with simplification being the prime objective. I also have a letter from the minister dated May 12 stating in part as follows:

My officials are making a revision in the technical requirements for model control apparatus, which I feel sure will meet with the approval of the model enthusiasts.

I was hoping to have something a little more definite, and just to spur the minister on I should like to read a letter sent to me by a Mr. Moore, one of my constituents, which he received from Babcock Models, Inc., of Costa Mesa, California, one of the largest manufacturers in this field. It reads as follows:

Thank you, Mr. Moore, for your kind letter in reference to Babcock products. Since you used the term "too tough" in reference to the Canadian Department of Transport, I shall go along the same lines. Application for approval for all our new equipment has been made some time ago. We are now sitting tight and waiting for results. It must be remembered—

I should like the minister to listen to this.

—that when we did get approval of our old R/C equipment, the approval arrived approximately one year after we had discontinued these units.

It is from examples like this that the minister can see why I feel that maybe his department is not the best department, by any means. I should like to know why you have this situation across Canada. Someone could say that these people are faddists, but there are hundreds of people with these models who like to use radio controls. Surely we could follow the United States system of licensing, which is so simple and straightforward in comparison to ours. It seems to me this particular branch of the department is asleep at the switch.

I should like to ask, is there any way by which you could improve the licensing of these particular models and allow these enthusiasts to have radio equipment?

Mr. Hees: I am advised, Mr. Chairman, that this week notifications are going out advising of a reduction in the requirements for the use of this model control equipment.

Mr. Fisher: I appreciate having that information and I shall be glad to forward it to some of these enthusiasts.

I should like to bring up a constituency matter which also relates to television. We have a situation whereby our local television station, which is privately operated, is planning to switch its transmitter to a higher hill. The whole region is very anxious that this be done as quickly as possible in order that we find out what the range will be. I should like to say to the minister and his deputy that when the application comes in, will they get cracking on it? If it is in now, and it may be in now, will they please get it cleared right away; because I cannot think of anything which—unfortunately, I might add—has greater political significance in our area than the extension of television service.

Mr. Hees: This is not the kind of matter—we will get on with it as quickly as possible—that can be cleared immediately, because an increase in the height of a radio or television mast, or a change in location, has to be studied from the point of view of the danger it might cause to aviation. I am advised that in this particular case there apears to be a definite aviation problem. This matter will be studied as quickly as possible, there will be no time lost, and we will give the hon. member an answer as soon as we can.

Item agreed to.

429. Construction or acquisition of buildings, works, land and equipment, $405,000.

Mr. Fisher: Could the minister inform me how much is to be spent at the airport next year under this particular item?

Mr. Hees: I am advised that this has nothing to do with airports. This is the radio enforcement provision dealing with monitoring.

Item agreed to.

Telegraph and telephone service—

430. Administration, operation and maintenance, $264,867.

Mr. Pickersgill: Could the minister tell the committee where the government, as opposed to Canadian National Telegraphs, now operates telephone and telegraph services? If it is a long list and if the minister would like to put it on *Hansard* I would not object.

Mr. Hees: The only places are in the Magdalen islands and on Cape Breton island. There are quite a number, but the Magdalen islands is the main system, and Cape Breton is quite small.

Mr. Pickersgill: The installations in Labrador are not included in that?

Mr. Hees: Those come under radio aids.

Mr. Nielsen: Is the Yukon considered in this?

Mr. Hees: No, Mr. Chairman.

Item agreed to.

431. Construction or acquisition of buildings, works, land and equipment, $510,500.

Mr. Pickersgill: Where is this construction being done?

Mr. Hees: The main item is for the rehabilitation of the line between Chatham and Escuminac, New Brunswick, at a cost of $287,000. The payment is to the New

Brunswick Telephone Company for taking over and rehabilitation of the G.T.T.S. facilities and assumption of full responsibility for provision of adequate service in the Chatham-Escuminac and Richibucto-Point Sapin areas. The other items are Sydney, Antigonish, Pictou and a great many small items. If anybody wants them I can read them out.

Mr. Pickersgill: No. This construction is not, therefore, on the government's own lines?

Mr. Hees: Yes, it is.

Mr. Nielsen: Before we leave this item I have one specific question to ask, the answer to which can be given at some later time. The question is in connection with the purchase by Canadian National Telegraphs of the Yukon Telephone Company. I do not see where else I can bring up the matter except under this item. Would the minister inform me what profit or loss was obtained in connection with the operations of the Yukon Telephone Company under the management of Canadian National Telegraphs at the end of the fiscal year?

Mr. Hees: This matter would have to be referred to Canadian National Telegraphs. I would be glad to do so and ascertain what they say about releasing those figures.

Mr. Nielsen: When the minister is making that inquiry, I wonder if he would also inquire as to whether or not there might be a reduction in rates to commercial users in the near future?

Mr. Hees: Yes, I shall be glad to ask that question.

Item agreed to.

Meteorological branch—

432. Administration, operation and maintenance, including Canada's assessment for membership in the world meteorological organization, $12,299,325.

Mr. Pickersgill: I should like to make a very brief observation. Since the present government came into office there have been repeated complaints in Newfoundland that the weather has deteriorated very seriously. I am glad to blame the minister for this, but can he do something about it?

Mr. Hees: It will be given very serious consideration.

Mr. Drysdale: I should like to make a very short observation. The weather also bothers the people on the west coast, out in British Columbia. One of the difficulties the fishermen have related to me is that CBU, which is the station which provides excellent weather reports, unfortunately has a power of only some 10,000 watts. The radio station in the Vancouver area, CKWX, which has a power of 50,000 watts, apparently does not carry the same type of information which is so important to the fishermen.

I do not know exactly what the solution is, but I wonder if the department could perhaps give consideration to either providing more extensive weather reports to station CKWX, or speak to the Minister of National Revenue to see if he can increase the power of station CBU.

Mr. Hees: We are very glad to give the radio stations anything they ask for in the way of weather reports. It is up to the radio stations to decide whether or not they carry them.

Mr. Drysdale: Since we do not have very adequate coastguard facilities on the west coast—

Mr. Pickersgill: After two years?

Mr. Drysdale: —and it is particularly important that we have the weather reports broadcast to the fishermen, I was wondering if the department could take into consideration some monetary inducement to station CKWX to provide a detailed weather report?

Mr. Hees: If the fishermen are anxious to receive better weather reports then perhaps they should go in a body to the radio station and make that request. We will be glad to supply anything the radio station wants.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. McQuillan: For some time the forest industries of British Columbia have been asking for a meteorologist to be appointed for the special duty of forest fire weather forecasting. This matter is extremely important to British Columbia. After our experience of last year with our disastrous fires I am sure the minister will realize that anything that can be done to help minimize the danger would be appreciated. At present we have some service, but the long range forecasts used are those from the state of Washington, and they do not necessarily apply to the local areas of British Columbia. Consequently there is sometimes a good deal of time lost by using these forecasts and at other times work is carried on under particularly hazardous circumstances. I know the minister has had this matter under consideration, and I hope he will move it from the serious consideration basket to the action basket.

Mr. Pearson: I want to ask the minister a question or two about weather stations in

the Arctic. In the period in which I was more familiar with administration than I am now, Canada had certain weather stations in the Arctic and the United States had certain weather stations by agreement with Canada, and there was a policy of transferring United States stations to Canadian administration and control as Canadian meteorologists became available. Then that procedure resulted in certain stations which are under joint administration and control. I should like to ask the minister how that transfer of United States stations to exclusive Canadian control is getting on.

Mr. Nielsen: Before the minister replies to that question, Mr. Chairman, may I say that I had intended to ask a similar one. I had raised this matter in the standing committee on mines, forests and waters. I would suggest that the practice now being followed, namely that of manning joint weather stations with Canadian and United States scientific personnel, could perhaps be looked at again with a view to manning these stations with 100 per cent Canadian scientific personnel.

Mr. Hees: The weather stations in the Arctic are all under Canadian control. Five of these stations are joint weather stations. There are about half a dozen purely Canadian stations. We are not taking over any of the five joint stations, but we are increasing the Canadian component in these weather stations.

Mr. Pearson: I take it that the objective, however, is to make these joint stations Canadian stations as soon as that procedure is technically feasible?

Mr. Hees: We have joint weather programs with the Americans. This is part of this whole program where they work with us in Canada and we work with them in the United States. We get along extremely well with them. As I say, these weather stations are all under Canadian control. The whole operation is working harmoniously and satisfactorily both here and in the United States.

Mr. Herridge: I just want to ask a question or two with regard to local weather observers. I presume that matter comes under this item.

Mr. Hees: Yes.

Mr. Herridge: We have a number of local weather observers throughout the district. I am going to suggest to the minister that owing to the tremendous development that is going on in a country like the south-eastern portion of British Columbia, there is a need for highly accurate weather records possibly on a more intensive scale than hitherto, or in other words for more observers. For instance, you have an observer at Nelson and some on the Arrow lakes, but I do not think there is an observer in the Lardeau district where there is a great difference in the snowfall, in the rainfall and in other weather conditions. Will the minister inform the house under what circumstances these local weather observers are appointed? What I mean is this. Do you try to have one observer for a certain number of square miles, or do you get them where you can, and that sort of thing?

Mr. Hees: We try to provide adequate service, sometimes by our own staff and sometimes by a local man in the area who does this work for us. The density of these weather observers depends fairly well on the weather problems involved. Some areas have more weather problems than others, and there would therefore be more observers in those areas. However, the number of weather observers is steadily increasing.

Mr. Herridge: I want to bring to the minister's attention an excellent weather observer at Deer Park, a person who has recorded the weather there for a long period of years most conscientiously. Deer Park is a dry belt country in Kootenay West. To my knowledge there is not one observer in the north Arrow lakes district which has quite a different climate and quite different winter conditions, and there is not a weather observer in the Lardeau country, which again is different. Because of the increasing industrial development in the country as a whole I suggest that we should have as many of these local weather observers as are necessary to give a true picture of the weather in the country as a whole.

Mr. Hees: I should be glad to look into that matter and see what can be done. Might I ask you, Mr. Chairman, whether it would be possible, when this item is completed, for us to go back and clean up the supplementary estimates to date? We missed out on doing that in the early stages of the examinations of these estimates. I think it could be a good idea if we brought those supplementary estimates up to date, and then as we go through each section clean up the supplementaries for that section. I suggest that procedure if it would be satisfactory to the members of the committee.

The Acting Chairman (Mr. MacEwan): Is it agreed that the supplementary estimates to date be taken after item 432?

Some hon. Members: Agreed.

Mr. Payne: Before this item carries, Mr. Chairman, I should like to say just a brief word in support of my colleague the hon. member

for Comox-Alberni. I feel that very frequently the value of proper meteorological information to our forest industry is not appreciated. Realizing that many of the submissions made by the lumbermen across this dominion do not come to the attention of the minister of this department, I am most anxious to point out that in the committee on mines, forests and waters delegations from various areas throughout Canada have told of the great value in the saving of timber from fire destruction that could be achieved by minor adjustments to services and thus increase the information provided by the officials of your department.

Mr. Fisher: I would like to ask the minister what truth there is in several stories which have appeared in the press to the effect that there is a great turnover of meteorologists and the department has a hard time holding them. If this is the case, can the minister say what measures are being taken to stop the wastage? My second question deals with meteorologists who are also part time television stars, and I would like to know if there is any difficulty in obtaining funds from the particular authority who may hire them, whether a private station or the C.B.C., and what is their position. Is anything necessary to regularize that position?

Mr. Hees: I take it the hon. member is referring to Mr. Saltzman, who appears on the C.B.C. He seems to have a particular talent for doing that kind of work, and we have given him permission to do so and he earns additional money for performing the work he does.

Regarding the payment of meteorologists, that is a very real problem with the department. We have applied both to treasury board and to the civil service commission to pay these people more money, and we have pointed out the fact that we are losing them, particularly as teachers. We are continuing to press both treasury board and the civil service commission to get permission to pay these important people more money. So far I have not been able to do so, but we are ever hopeful. It is a real problem, as I say, with us.

Mr. Fisher: Could the minister explain to the committee why it is so hard to put this case to treasury board? What is the weakness in the case, and why has the minister been unable to convince treasury board of the merits of the case?

Mr. Hees: There is no weakness in the case we have put forward, I believe, Mr. Chairman. It is a reluctance on the part of the civil service commission and treasury board to grant these higher salaries, and why there is this reluctance I find it hard to explain. But I can assure the hon. member that we are just as anxious as he is to pay these people more money, and we are continuing to press our case vigorously.

Mr. Fisher: Would the minister agree that this is another example of the sort we have had in other departments, where there is a lack of sensitivity to the need for change on the part of the civil service commission and treasury board? For instance, we can think of income tax assessors and various other categories in other departments where there is a like problem, and despite strong representations from the departments it takes a long time to bring about any action. If you have this crucial problem and the teaching profession is pulling off the meteorologists, how do you as minister try to express the case for quicker action to these two authorities?

Mr. Hees: I can assure the hon. member that representations, and I might say strong representations, have been made to both treasury board and the civil service commission. As I say, we hope our representations are going to meet with sympathetic consideration in the very near future. We are disappointed that they have not been met with that kind of consideration so far.

Mr. Pickersgill: Mr. Chairman, might I just ask if the minister has ever tried shouting at the Minister of Finance the way he did here yesterday?

Mr. Hees: The Minister of Finance is a pretty good shouter too.

Mr. Brassard (Lapointe): Mr. Chairman, with regard to weather reports which the Department of Transport officials receive from the Saguenay-Lake St. Jean region, is the minister able to tell us if there is a meteorological station at Kenogami? I know it is a very localized question, and if the minister cannot answer me today perhaps he will give me the answer later.

Mr. Hees: There is no permanent station that we are aware of.

Mr. Brassard (Lapointe): I am not talking of a permanent station. I mean weather reports from Kenogami, the Price Brothers company.

Mr. Hees: I am advised that there is a climatological station in the area, Mr. Chairman.

Mr. Pearson: I hope the minister will forgive me if I pursue these Arctic weather

stations a little further, because their significance is a little wider than meteorological. The minister has said that all the stations in our north country are under Canadian control, but that some of them are under joint occupation and the joint occupation by the United States and our own people is working very harmoniously. The minister also said there were similar stations in the United States jointly occupied by United States and Canadian meteorologists. I wonder if the minister could give us more details in that regard, and if that is the case might it not be desirable to bring back some of our Canadian meteorologists to Canada where there is a great shortage?

Mr. Hees: Mr. Chairman, I am sorry if I misled the hon. member. They are not joint weather stations in the United States but joint research stations in which Canadians participate with Americans in this type of work.

Mr. Nielsen: I have a question following that, Mr. Chairman; I have been trying to catch your eye. Are the United States personnel in these Arctic stations paid by the United States government or the Canadian government, and are there any joint studies undertaken by United States and Canadian scientists with regard to ice as related to meteorology and other mobile Arctic scientific investigations under the minister's jurisdiction?

Mr. Hees: Yes, Mr. Chairman. There are joint studies, as the hon. member has described, and the United States meteorologists are paid by the United States.

Mr. Pearson: Can the minister give us the number of United States and Canadian meteorologists in the Arctic territory?

Mr. Hees: In the five joint weather stations there are 23 Canadians and 23 Americans. In the purely Canadian stations there are approximately 105 Canadians.

The Acting Chairman (Mr. MacEwan): Shall item 432 carry?

Mr. Nielsen: Before we leave this item, Mr. Chairman, the matter I now raise may seem like an unimportant matter, but it is rather important to us. It concerns the question of Mr. Saltzman, who I had understood was a C.B.C. employee but I understand now is a meteorologist employed by the department. He appears, of course, on television programs where he describes the weather picture in Canada, or across Canada, or from coast to coast, or the Canadian weather picture; all these terms are used. But Mr. Saltzman very rarely, if at all, covers the weather picture in the Yukon or the Northwest Territories; and just to follow this point up, Mr. Chairman, the weather maps in the house, in the lobby and in the government elevators show more of the United States weather picture than the Canadian. This is a carry-over, perhaps, from the shortsightedness of the previous administration, but I would suggest that this vast area of the Canadian north is deserving of some consideration when you depict the weather picture of Canada as such.

The Acting Chairman (Mr. MacEwan): Shall the item carry?

Mr. Pearson: I take it the minister is not making any observation about the previous question?

Mr. Hees: I would be very glad to, but I did not think any comment was required. I think probably the reason Mr. Saltzman does not make too many comments about the weather in the Yukon or the Northwest Territories is that not too many of his listeners or viewers would be stationed there. I think that might be the reason. We can draw this to the attention of Mr. Saltzman, to see if he could mention those areas a little more frequently—

Mr. Pearson: I take it the minister is not worried about those maps? Could the minister give us some information about the exchange of meteorological information generally with the Soviet union on these matters?

Mr. Hees: There is a full exchange of meteorological data between the U.S.S.R. and Canada.

Item agreed to.

586. Operating deficit and capital requirement of canals and works entrusted to the St. Lawrence seaway authority — further amount required, $296,000.

Mr. Chevrier: I am prompted to rise at this point and draw to the attention of the minister a matter which on the face of it might not appear to be very important, but which is in fact important to a large number of people. It stems from a report which appeared in the New York *Times* concerning the Canadian rules governing small boats passing through the canals of the St. Lawrence seaway. I do not wish to hold up the estimates, but I should like to read two paragraphs of this article which appeared in the New York *Times* on Friday, June 12, 1959, as follows:

Thousands of owners of small pleasure boats have been dismayed to learn that their craft will not be permitted to travel the length of the St. Lawrence seaway.

As a result, many vacation plans must be changed. Several million dollars already spent for construction of marinas on the seaway may be a dubious investment.

Willis H. Crosswhite, the traffic services officer of the St. Lawrence seaway development corporation, said yesterday in Massena, N.Y., "Under existing regulations boats under 20 feet over-all or less than two tons dead weight cannot go through the Canadian locks."

"Therefore, with the Canadians controlling 13 of the 15 locks," he explained, the little boats can't make the whole trip. "In fact," he said, "the boats won't be allowed to travel more than 68 miles on water in the seaway, the distance, including approaches, serviced by the two United States locks."

As the minister knows, the two locks on the United States side—the Eisenhower and the Wiley-Dondero locks—permit the movement of these pleasure craft, and in the area which is affected, particularly the Thousand islands area, the Lachine section and the lake St. Francis section, there are a very large number of pleasure craft whose owners would wish to move them through the locks of the seaway.

I know there must be some reason for the attitude which has been taken here, and I presume that safety of navigation has a lot to do with it; but is it not, going to be a little embarrassing for Canada if the United States permits pleasure craft to go through while Canada does not? I thought I should bring this to the attention of the minister so he may have the opportunity to consult with his officials in order to ascertain if the regulations concerning the Canadian section cannot be changed with a view to having uniform navigation rules for both Canada and the United States.

Mr. Hees: I will be glad to discuss that question with the officials of the St. Lawrence seaway authority. The reasons for not allowing these very small craft through the locks are two in number. I should say right away that this regulation only applies to boats less than 20 feet in length, and I think we all realize that these are very small craft. It is considered that it is dangerous for these very small boats to be going through the very large locks of the St. Lawrence seaway. The second reason is that these boats can all be very easily transported by trailer behind a car. It is considered that they can be moved much more quickly and easily by trailer if their owners want to go, for instance, from New York to Georgian bay. But I will be glad to speak to the officials of the seaway authority about this matter and discuss it with them.

Mr. Pearson: Does the minister not think that if the Canadian seaway authority has one set of regulations governing this matter and the United States has another, this may be a fertile source of dispute and difference between the two authorities?

Mr. Hees: It might. I was not aware that the United States authorities were allowing these very small craft through their locks, and in view of what the hon. member for Laurier has said I will be glad to discuss the question with the officials of the seaway.

Item agreed to.

Marine services—

Marine service steamers—

587. Administration, operation and maintenance—further amount required, $2,878,600.

Mr. Drysdale: I wonder if I could get a little information from the minister concerning Prince Rupert and the floating drydock which I think the Department of Transport had there some years ago. I have received several inquiries from fishermen who are interested in a floating drydock, and I was wondering if the minister could indicate why it was removed in the first instance, and where it was removed to, and if there is any likelihood of the department providing a floating drydock in this area at the present time.

Mr. Hees: I was in Prince Rupert a few years ago and I discussed the question of this drydock at that time with the people there. I found there were very few users of the drydock. Efforts were made to find people to operate it, but without sucess. The real reason it has gone out of operation is that there just was not enough business to justify its presence.

Mr. Drysdale: In the light of the increased size of fishing boats necessary for deep sea fishing, if I could get an interested group together I presume the minister would be prepared to give this matter every consideration?

Mr. Hees: I am advised that the original drydock was sold, but if there is anyone who would be interested in operating a drydock he would find complete co-operation from the department. If the hon. member knows of someone who would be interested, and would let me know, I should be pleased to co-operate with him.

Mr. Chevrier: Before this item is passed I should like to point out that here is another $2,878,000 for marine service steamers, and the original vote was close to $16 million. Why has it been necessary to have a supplementary vote of almost $3 million, and what does it cover?

Mr. Hees: I am advised that the main part of this vote is to pay for the United States D.E.W. line supply to Baffin which we

have just taken over this year. The money will be reimbursed to us at the end of the year, I am advised.

Mr. Pearson: Does this, then, cover services to be supplied to the United States government for the D.E.W. line, the money to be repaid to the Canadian government by the United States at the end of the year?

Mr. Hees: That is correct.

Item agreed to.

588. Pilotage service—further amount required, $891,925.

Mr. Fisher: Could the minister tell us the status of Captain Crawford?

Mr. Hees: I am advised that Captain Crawford was hired as one of our pilots on the great lakes and is now being employed as our dispatcher at the Welland canal.

Mr. Fisher: What salary differential does that give him now compared with the other pilots? Does his present post give him any authority in terms of being boss or controller over the other pilots?

Mr. Hees: He has no special authority. I am advised that there is probably no differential in wages, but I will be glad to check on that and let the hon. member know.

Mr. Fisher: Is there any difficulty at the present time in recruiting pilots for the great lakes service?

Mr. Hees: I am advised that at one stage there was some difficulty in recruiting, but that has been overcome and there is now no shortage of pilots.

Mr. Fisher: I presume, with many of the canalers coming off the lakes, there may be more and more competent officers available for this particular service. To me, Mr. Chairman, this whole pilotage matter has been a case where somehow the Department of Transport has not taken a very aggressive or enlightened line, and the very fact that we still are in a certain state of confusion, and that this confusion began away back last year—the minister shakes his head about confusion. I just mean this. We still do not have any arrangement worked out with the United States on a continuing basis—

Mr. Hees: Mr. Chairman, if I might answer that I would like to say that this is not the fault of the Canadian government. We have tried in every way and for quite some period of time to reach an agreement with the United States regarding pilotage, and we are still trying. We are very anxious to work out an agreement with them. I assure the hon. member it is not because of any lack of desire on our part that an agreement has not been reached so far.

Mr. Fisher: It may not be lack of desire.

Mr. Hees: Or lack of effort.

Mr. Fisher: There is a fundamental difference in approach, and I think it all hinges on the different attitude toward safety. The United States has a different concept of safety and security precautions. It seems to me that has been one of the fundamental difficulties all along the line. I just want to tell the minister that the contacts I have had with the lake shipping people in our area, including men who have gone out and visited the foreign ships that have come in, indicate to me that they are convinced that on these ships the lack of knowledge of English, of the rules of the road on the Canadian lakes, and all the other complicated regulations that fit in to the marine picture are such that we should be much more likely to go toward the United States ideal of having a pilot on the boats at all times in the lakes.

I still think, Mr. Chairman, that is the fundamental difficulty in getting a rapprochement between the Canadian and United States governments. I do not expect an answer on that point from the minister, but I insist this is probably the fundamental weak spot in the negotiations. I would suggest to the minister that his department got the idea very early that somehow an extension of pilotage to the extent that the United States requested was going to put an unnecessary burden upon the foreign shipping using the lakes. This, it seems to me, overlooks two things; one, the factor that it could give them an unnecessary advantage over our own shipping; two, it ignores the safety and security factor that the United States seems to be more aware of than does the minister's own department.

Item agreed to.

Meteorological branch—

594. Administration, operation and maintenance—further amount required, $170,000.

Mr. Pearson: This is an additional amount for the meteorological branch. Since there is an increase in the main estimates for this branch of $1,562,000, and since I have learned that none of that increase is going toward the reclassification of the salaries of the meteorologists, can the minister explain this item and give reasons for this increase?

Mr. Hees: Yes, Mr. Chairman. The meteorological branch is responsible for all phases of meteorological service for civil and military purposes in Canada, for shipping in adjacent ocean areas or on the great lakes, and for

international aviation over the Atlantic and Pacific oceans and polar and subpolar routes. Highlights of new and expanded services provided for in the 1959-60 estimates include:

1. A comprehensive ice observing and forecasting program in direct support of marine activity in the lower St. Lawrence, gulf of St. Lawrence, Hudson bay and sea supply lines to the far north. The major portion of the ice observing will be accomplished through aerial reconnaissance using chartered aircraft. The cost of that amounts to $400,000.

2. Extension of meteorological research particularly, in the fields of atmospheric ozone, radiation, turbulence, cloud physics and in the determination of the relationships of meteorological factors applicable to agriculture, forestry and so forth, $134,000.

3. Development of forecasting techniques and extension of services on a routine basis for high level jet aircraft operations, $100,000.

4. Development and testing of methods of preparing weather forecast charts at various levels of the atmosphere by purely numerical means using high-speed electronic computers, $90,000.

5. Replacement of departmentally owned radio communications facilities by commercial services for the collection and dissemination of meteorological information at such locations as White Horse, Churchill and Goose. Hitherto such commercial facilities have not been available. The cost of that is $216,000.

6. Establishment of two additional local forecast offices to serve aviation and industrial agencies and the general public in the Fredericton and Quebec city areas, $30,000.

7. Operation of surface observing stations at cape Dyer, Northwest Territories, and cape Parry, Northwest Territories, and of an upper air station at Goose, Labrador. These are now staffed by United States agencies; $140,000.

A continuing shortage of professional personnel continues to seriously restrict the capabilities of the branch in meeting the ever-increasing demands for service to continuously expanding fields of endeavour. All other items which have not been specified account for $327,000.

Mr. Pearson: The minister mentioned a figure of $400,000, I think, for aerial reconnaissance. Is that an increase or is that the total amount spent on that service?

Mr. Hees: That is an increase this year, Mr. Chairman, but this year we have taken over those operations from the Canadian and United States services which formerly carried it out.

Mr. Pearson: Can the minister explain the reason for taking it over from the air services of the two countries? Was it on grounds of economy or efficiency?

Mr. Hees: Yes, Mr. Chairman; because they wished to withdraw from it.

Mr. Chevrier: There is a question I should like to ask the minister. Are the headquarters of the meteorological service still in the city of Toronto? Is it the intention of the department to keep the headquarters there? Has the difficulty which has arisen between certain groups of officers—I shall not say where—as to where the headquarters should finally be located been determined?

Mr. Hees: Well, I am proud and pleased to say that the answer to both the first two questions is yes, and I am advised that we do not know of any difficulty. If we do learn of any we shall of course, give it very sympathetic consideration.

433. Construction or acquisition of buildings, works, land and equipment, $1,400,000.

Mr. Pickersgill: Is any of this construction in Newfoundland?

Mr. Hees: Yes, Mr. Chairman, there is a transmisometer, a daylightceilometer and a decca weather radar installation at Gander, Newfoundland, which will cost $60,500.

Mr. Pearson: Can the minister explain what these things are?

Mr. Hees: The answer is no, Mr. Chairman.

Mr. Pickersgill: Mr. Chairman, considering that we have more weather in Newfoundland than in any other province, except possibly British Columbia, this seems to be a very small share of the total amount.

Mr. Winch: It is a small island.

Mr. Pickersgill: It is a very large area, almost as large as British Columbia.

Item agreed to.

Civil aviation branch—

435. Airports and other ground services operations and maintenance, including authority for payment of grants, totalling not more than $299,000, subject to approval by the governor in council, to appropriate church authorities at Gander, Newfoundland, for the purpose of relocating and re-establishing church activities from the airport limits to Gander townsite and to provide, notwithstanding the Financial Administration Act or any other act, that the treasury board may in the current and future years authorize arrangements to be made for the operation of hotel, bakery, restaurant, staff messing, staff accommodation and similar facilities at airports and authorize the disbursement of revenues derived therefrom and payment of deficits that may occur in the management and operation of these facilities, $18,878,041.

Mr. Winch: This item deals with airports and other ground services. I should like to ask the minister to bring us up to date on the government's policy respecting any action to relieve congestion at the Vancouver airport by the development of a secondary civilian airport. I know this matter has been in mind for a long time, and that first one location and then another has been suggested, but there never seems to be any action. I know what the minister has in mind as to policy with respect to the international airport on Sea island as a result of the conference a few weeks ago to which he kindly invited all the Vancouver members, but that is all in the future. I understand that the R.C.A.F. is determined to stay there, and I believe there is a great need for immediate action to establish a secondary airport for light civilian aircraft. Is it possible to waft away all the confusion with respect to this matter and state definitely whether or not the department is going to go ahead with a secondary airport?

Mr. Hees: Yes, Mr. Chairman. We have spent a considerable period of time trying to find a satisfactory site, in fact it is a period of about six years. We found only two satisfactory sites, Pitt Meadows and Boundary bay. We consider Boundary bay to be the most satisfactory. We are waiting for the Department of National Defence to move out of Boundary bay, and as soon as they do we will be very glad to take it over and establish it as a satellite airport.

Mr. Winch: Have you any indication when that might be?

Mr. Hees: We are reminding the Department of National Defence that we are very anxious to move in, and we keep pressing them.

Mr. Winch: Do you think it would be a good idea to give the Minister of National Defence a nudge in that direction by asking him when his estimates are before us?

Mr. Hees: I do not think it would do any harm at all.

Mr. Chevrier: Mr. Chairman, because of the size of this vote I think the minister should give some indication of where the airports are and the amounts to be expended at each, but before he does that I am sorry I have to burden him again with some of the difficulties still plaguing Dorval airport. I am prompted to do so because of an article which has been published in the Montreal *Star* and which is seriously critical of the department's efforts. The article is by Mr. W. A. Wilson and is entitled, "Air Terminal Costs Spiral as Building Delays Continue." The article reads in part as follows:

> —costs have mounted along with the delays until they are now officially described as "way out of hand." The Department of Transport has refused to reveal the level estimated costs had reached last week when a drastic paring job began on them but one source said he understood the total had soared to $26 million and another described this figure as "probable".

The article goes on to give the various estimates that were made for the building, the first estimate in 1953 of $4 million, a later estimate raising the figure to between $8 million and $9 million, and still another last year raising the estimate to between $15 million and $16 million. I am glad the hon. member for Carleton is staring at me because this will probably recall certain incidents to him. In any event, the final estimate given by the minister yesterday was $15 million to $16 million which, excluding all the extra facilities required there, might well bring the ultimate cost to between $25 million and $30 million. I believe those were the figures he gave yesterday.

Mr. Hees: Could I answer that now?

Mr. Chevrier: I should like to finish and then I perhaps will not have to get up again. There is a very serious charge made in another part of the article, where it is indicated that in certain parts of the building practically no one is working. The minister shakes his head, but there is a man who has visited the place and says that some of the floors are completely empty with nobody working at all. The article goes on to say:

> While only about 100 men were working three days ago it could be estimated that 400 could easily have been employed on the main structure alone, excluding the hydrant fueling system, the apron, power plant, fingers and aeroquays for most of which contracts have not been let and for some of which plans are now being redrawn.

It goes on at great length and I am not going to pursue the matter unduly, but I do wish to reiterate what I said yesterday; that I think something more than an ordinary assurance by the minister that everything is being done to hurry construction is required in this case. I think the minister should give instructions to his officers to see to it that the building is completed at once. I said a moment ago that there was a great similarity between what is happening here and what happened at the printing bureau.

Mr. Hees: Oh, no.

Mr. Chevrier: The circumstances are very much alike. Mind you, I am not being critical of what was done, because I know that in the Department of Transport there are some officers who believe that contracts of this nature should be given out piecemeal, and I am not going to challenge that decision. It might well be an excellent decision and

under certain circumstances the only decision that should be taken. It may well be that when you are dealing with an airport that is the only way to make progress.

The fact is that here you have a building which originally was to cost $4 million. The cost is now going to reach between $25 million and $30 million, it is not finished, and six years have gone by from the time the first announcement was made until the minister's announcement yesterday. So there is a great deal of resemblance between this situation and the investigation which was made of the printing bureau. I am not suggesting that an investigation should be made in this case, but I am saying that those who were so anxious to be critical of the previous administration because of what happened at the printing bureau find here, if they go into the matter carefully, circumstances that are very similar; first, with reference to the contracts being let separately and, second, with reference to the skyrocketing of the costs. Perhaps the minister might be good enough to answer the few questions I have asked.

Mr. Hees: Yes, Mr. Chairman. Part of this misunderstanding arises from the fact that the first estimates dealt with the building only and the final estimates deal with the whole complex which comprises a great deal more than the building. The hon. member was minister at the time, and he knows that the so-called first estimates in 1953 and 1954, which were between $4 million and $8 million, were no more than a guess. Then in the early stages of preparation, in 1955, the estimate rose as he says, under his government, from $4 million to $10 million, that is 2½ times. Then, still under the government of which he was a member, when the main plans were completed—I might point out that when he is talking to us about these delays that are supposed to be taking place today, it took three full years before the plans could be prepared under the former government. They were not prepared until 1956, and at that time the estimate rose to $12.5 million, which is several times what he says was the original estimate, which was just a guess.

Now, when the final plans have been completed, the estimate is between $15 million and $16 million, because there have been a number of things added amongst which was the air conditioning which was announced last year, costing an additional half million dollars. The estimated cost of the building alone is between $15 million and $16 million. Yesterday when I mentioned this subject in the house I gave a full statement of the additional items which brought the cost up to somewhere between $25 million and $30 million. These items were never included in any of the former estimates. I refer to such things as the fingers, the aeroquays, the main floor finishing, the furniture, the power plant, the heating plant, the apron, the ramp paving and the access road. These are all matters that were never included in the earlier estimates, and they bring the estimate today up to between $25 million and $30 million.

I am afraid, therefore, I cannot agree with the hon. member that there is anything out of the way. As I say, if we are talking about delays I wish he would just think back to those years between 1953 and 1956 when it took three full years to complete even the preliminary plans. During that three year period the estimate rose by over three times. I am not pointing the finger at him, but I do suggest he should not point the finger at me.

Mr. Chevrier: On the contrary, I am not pointing my finger at the minister at all. I am agreeing with what he has said. I am very glad he has said just what he has, because that is exactly what we were saying with reference to the printing bureau but nobody would pay any attention to us. We started off by saying that the first estimate was a guess and they said, "Well, that is just terrible; there is no sense to that". Then the minister rose and said that after two years' time they added something. Of course you did, and that is what increased the cost. I am not suggesting for a moment that the additions were not proper and were not required. That is exactly what happened in the other case.

Mr. Winch: Careful; you would not want to reopen that affair.

Mr. Chevrier: I am quite able to take care of myself in that respect. I believe the circumstances here are exactly the same as they were in the other case. I am pleased that the minister reiterated practically everything that was stated by us in the other committee. There is no doubt in my mind that if the estimate rose from $10 million to $16 million, and then from $16 million to $25 million, it was because of the aeroquays, the fingers, the air conditioning and the like. There are unquestionably reasons for the additions. I am glad the minister did make the statement he made. I have no fault to find with it, because I believe the circumstances are exactly the same as in the other case.

Mr. Pearson: The minister has shown a broad understanding of these difficulties of mounting costs, changed specifications, the requirements of air conditioning and all that sort of thing, which adds to the cost of a building.

Mr. Winch: Maybe we ought to investigate him, too.

Mr. Pickersgill: Go ahead.

Mr. Pearson: The minister also said the other day that in contrast to the situation a couple of years ago, the work is now really humming; that there is activity; that they are pushing along. However, that is not the information in this article. Perhaps one should not judge from casual, personal experience, but any of us who have been in and out of Dorval lately cannot help but be struck by the fact there is no sign of this humming, this pushing along. If the minister is satisfied—

Mr. Hees: I might say it is all inside, Mr. Chairman.

Mr. Pearson: Is the minister satisfied that everything is being done that can be done to bring this building to completion at the earliest possible date and at the lowest possible cost?

Mr. Hees: Yes. As I said yesterday when dealing with this matter there were delays recently, and I described them. There is a reference to it in the newspapers this morning. There had been some hold-ups at treasury board, and having been a member of a government for quite some time I think he, and any other member who has been a minister, knows just how annoying that can be. These have been overcome, I am glad to say. I think I have a sympathetic ear over there in the former minister. These delays have been overcome, and I feel confident that progress will be made.

Mr. Pearson: The minister used to be a heavyweight boxing champion, so why does he not do something about treasury board?

Mr. Chevrier: Will the minister answer the first question I asked him?

Mr. Hees: Mr. Chairman, I am advised that this vote covers 120 separate airports.

Mr. Chevrier: I do not want that, Mr. Chairman. Would the minister take the international airports, say Montreal, Toronto and Vancouver?

Mr. Hees: Do you want me to name them?

Mr. Chevrier: No, the amounts for these various international airports?

Mr. Drysdale: I do not know whether or not it would save repetition, but I have some specific questions for the minister on the Vancouver international airport. Does he want me to ask my questions and make my observations now?

Mr. Hees: Yes, go ahead.

Mr. Drysdale: First of all, Mr. Chairman, I wish to refer to the problem of the Vancouver international airport, because with the tremendous influx of jet planes—as a matter of fact I think they are expected to start in August of this year—the airport is more or less at the crossroads of its development. Although it is called the Vancouver international airport I might point out to the hon. member for Vancouver East and other members that it is located in Richmond, which is in my riding. Sea island, which is at the mouth of the Fraser river, covers some 4,000 acres.

I wish to put some of the items into perspective in discussing this particular matter. The city of Vancouver actually owns some 480 acres on Sea island for airport purposes, whereas the Department of Transport has some 2,310 acres and the Department of National Defence some 190 acres.

Mr. Pickersgill: Any trouble over expropriations?

Mr. Drysdale: There are at present some 1,200 acres in use. It is expected that by 1980 they will require some 3,450 acres. The minister indicated earlier in answer to my questions, as well as those by the hon. member for Vancouver South, that the government is prepared to acquire the airport should Vancouver decide to relinquish control. However, there has been a certain amount of confusion in the statement of facts, so I should like to direct two or three specific questions in order to put the matter in its correct perspective.

The first question I should like to ask—I do not know whether or not the minister would like me to ask each question and then have it answered?

Mr. Hees: I think that would be simpler.

Mr. Drysdale: The first question is, what is the equity of the federal government in Vancouver airport? I would appreciate a breakdown of the land, buildings, subsidies, etc.

Mr. Hees: Yes, I have that information, Mr. Chairman.

The equity which the federal government has in the Vancouver airport is $11,414,386. The breakdown is as follows: land purchases, $4,459,993; loans for construction of domestic terminal building, $305,701; construction of buildings, runway, et cetera, as at March 31, 1958, $6,061,759 and for the fiscal year, 1958-59, which is not final, $75,209; for a total so far of $10,902,663. The contributions which the federal government has made for airport development are as follows: 1937-38, $64,892; 1938-39, $76,563; 1939-40, $111,082; 1941-42, $9,998; 1957-58, $120,000; for a total of $382,535; operating subsidies paid to the Vancouver airport from the fiscal year 1948-49 to the fiscal year 1957-58, $129,188; or a grand total of $11,414,386.

Mr. Drysdale: I wonder whether the minister can now tell me what is the approximate equity of the city of Vancouver as represented in the 480 acres plus the buildings?

Mr. Hees: Yes; approximately $2 million.

Mr. Drysdale: I have a further question. The present problem of the city of Vancouver is the establishment of a terminal building which is estimated to cost some $13,700,000. I was wondering what amount the federal government would be prepared to give as a grant in aid on this building or as to how that figure would be computed by formula.

Mr. Hees: The amount of any federal government grant in aid toward a proposed passenger terminal to cost $13,700,000—that is the cost which the city quoted to us—would depend on the nature of the plans for the building, but normally the government might make a contribution related to 100 per cent of the cost of the space required for customs and excise plus 75 per cent of the cost for public waiting room accommodation, plus possibly some ramp and apron construction. Federal government grants usually amount to about 25 per cent to 30 per cent of the cost of the terminal building.

Mr. Drysdale: I have just one final question. As reported at page 4146 of *Hansard* of May 29 in answer to a question by the hon. member for Vancouver South who has also shown a great deal of interest in the Vancouver airport, the minister made certain statements as to the federal government's policy in this matter. However, on June 2, in the Vancouver *Province* there was a front page article by a Mr. Jim Fairley. The article is headed "Four Firms Seek Jet Terminal Job" and is to the effect that there are four private firms who have indicated that they are willing to put up the money for the airport. I should like to have the minister's comment on certain statements that were made in the particular article. It is stated as follows:

> Alderman Wilson also brought back a compromise offer from the federal government which he will present to city council today.
>
> Under this plan there would be a land switch but no sale of the airport, and the federal government would build a new passenger terminal which it would ask the city to manage on a percentage-of-profits basis.

The article states further:

> In the compromise deal, the city would turn over to the government the city-owned land in the centre of the airport where airport officials agree the new terminal should be located.
>
> In return, the federal government would turn over some of its land to the city for aviation industrial development.
>
> The city would continue to own and operate "100 per cent" this and the present industrial holdings, and would also run the government's big new passenger terminal on a percentage fee to be negotiated.

What I should like to ask the minister is this. In view of his statement made on May 29, which appears to be at variance with this article quoting Alderman Halford Wilson, can he give his opinion as to which statement should prevail?

Mr. Hees: Mr. Chairman, there has never at any time been any kind of compromise deal at all offered to the city of Vancouver in this matter.

Mr. Winch: That is not what you told us.

Mr. Hicks: The Pitt Meadows airport has been mentioned here this afternoon and I should like to say a few words about it. It is over two years ago since I understand certain private airplane owners asked to have an airport established at Pitt Meadows. During that time land was gradually secured, some expropriated and some purchased. When the government changed, this same policy seemed to continue. Quite a number of farms were taken over. Some of them, as I say, were expropriated, which meant, of course, that the owners of those farms could not go ahead and make improvements. A number of them are sitting there yet wondering what is going to happen to the Pitt Meadows airport. This is situated on the east side of the Pitt river and on the north side of the Fraser river. There has been considerable controversy as to the suitability of this airport, weather-wise. A large number of the farmers there want to have something definite settled about this airport and about these farm lands. I should like to ask the minister whether it is planned to continue with this airport and to make a success of it or what is the plan for the future.

Mr. Hees: As I have stated earlier, we prefer the Boundary bay site provided we can get it and we expect to do so. Provided that the Department of National Defence move out of it we are going to use Boundary bay. But at the present time we do not wish to abandon completely the idea of Pitt Meadows until we are absolutely sure of getting Boundary bay. That is about as clearly as I can state the position.

Mr. Hicks: I want to say a word or so also about another airport in my constituency, namely the Abbotsford airport. In the last few months we have heard a great deal about the millions of dollars being spent around Vancouver. I am a little bit inclined to think that the day is not too far away when Abbotsford will be almost the top, if not the top airport, for Vancouver. It is only about twenty miles out. When the highway is completed it is going to be

really within reach. I tell you that Abbotsford airport is some day going to be an airport. I say that because they have absolutely ideal weather at Abbotsford. I do not know how many planes come in there from, we will say, November 1 until April when they again land at Vancouver. There are two alternatives. One is to go to Victoria. Of course, if you have passengers for Vancouver they might as well be taken to Hong Kong as to Victoria. The other alternative is just to turn your plane around and go and land at Abbotsford. You certainly can land at Abbotsford.

I think this airport should be developed, and I know it will be in a few years. But the point I want to make today is this, that we have taken over quite a number of small farms around the Abbotsford airport but there are still four farms on the east end of the flight. They are only small places and they are chicken ranches, and sometimes some of these great liners come in there and fly over homes and poultry houses, and I can tell you, Mr. Chairman, they really cause quite a disturbance, not only amongst the housewives but among the chickens as well. Some of the chickens have been known to lay two eggs in 24 hours!

Now, Mr. Chairman, seriously, I would like to ask the minister to consider taking over without any further delay the small properties owned by Rev. J. J. Stoffel—incidentally, he should not be afraid of airplanes going over—D. Logan, J. Rempel and C. Enns. They are on the Clearbrooke road at the east end of the flight and I certainly do not think it is any place for a person to have to live with these things coming over and making a great deal of noise.

Mr. Hees: Mr. Chairman, I might answer the question of the hon. member for Laurier who asked for a breakdown of this vote. I am afraid I have not got it by main airports but I have it by districts. It reads as follows:

Headquarters	$1,354,255
Gander, Newfoundland ..	2,619,605
Moncton region	966,853
Montreal region	4,269,532
Toronto region	2,292,258
Winnipeg region	1,730,695
Edmonton region	4,282,915
Vancouver region	1,361,923

This, Mr. Chairman, makes a grand total of some $18,878,000.

Mr. Pearson: Mr. Chairman, I would like to transport the minister for a moment from Abbotsford, where I am sure there will soon be a great and silent airport, to another part of Canada, and ask him if he could tell me what progress is being made with regard to an airfield for the most important, progressive and exciting new community in Canada? I refer, of course to Elliot Lake.

Mr. Hees: I am advised that we have made several surveys of the area, but unfortunately so far we have not been able to find a site which could be developed at anything but a very excessive cost and it would be some distance from the town. However, we are continuing to study the whole matter, and if the hon. member knows of any site that he thinks would be suitable we would appreciate it very much if he would draw it to our attention and we will be glad to investigate it.

Mr. Pearson: I will be very glad to do that, Mr. Chairman. I was up there the other day on government business—

Mr. Hees: Of course.

Mr. Pearson: —and I was taken by the chamber of commerce to a proposed site not far from Elliot Lake, which they thought could be suitable for the construction of an airport. However, I will get in touch with the minister in due course.

(Translation):

Mr. Belzile: Mr. Chairman, I would like to say a few words with regard to the airport at Matane, county seat of my riding. I would like, also, to explain to this house the emergency which exists there. At present, the airport at Matane is used by two air transport companies, the Quebecair Incorporated and the Air Services Limited. Now in September 1958, Quebecair Incorporated acquired some heavier aircraft, so that just now the Matane airport, with airstrips that are too short, does not meet present requirements.

The Matane airport is located at a point of strategic importance, because it has to serve the Matapedia valley, Matane, Ste. Anne des Monts, and all parishes around the county seat.

On the south coast, workers who are employed either in the mines or on hydro and lumbering projects and have to travel between the south and north shores, use Quebecair craft, and those of the other company I mentioned a few moments ago, for the trip between the airports situated on the north shore, like Forestville, Baie Comeau, Schefferville and Seven Islands. The town council of Matane has spent fairly large amounts on the purchase of needed property. In fact, so far it has spent $25,000 for that purpose. It will easily be realized that great

improvements are called for at this time, and I need not refer to the gist of the correspondence exchanged in the last 15 months or so between the Minister of Transport (Mr. Hees), the officials of his department, the Matane city council, the Matane chamber of commerce and your humble servant. All that correspondence is of course in good hands, since it is filed with the department, for use in due course.

However, it is obvious that, by this year, the Department of Transport should not fail to consider the possibility of lengthening at least one of the airstrips by a few hundred feet, preferably strip number 0725, so that the larger Quebecair craft may land at Matane to let off or take on people who want to travel between various points in the area.

The people of Matane and I would be very glad if the hon. minister could take into consideration the present economic aspect and urgent need of development of our airport, so that we may get this year, if possible, at least the extension of the airstrip in question.

Furthermore, I would ask the minister to consider the possibility of including, in next year's estimates, the amounts required to put in the necessary improvements at that airport, so that it could adequately meet the needs of the population, especially with regard to traffic between the south and north shores of the St. Lawrence.

I imagine that the hon. minister, understanding as he is known to be, will take my remarks in good part and that, in the near future, we shall have the pleasure of noting that he has acted on our request.

(Text):

Mr. Slogan: I should like to ask the minister one or two questions about airfields in Manitoba, but before I do so may I say that I feel a good deal of sympathy with the hon. member who was talking about the plight of chickens in the Abbotsford airport area. But as long as the chicken are laying two eggs a day rather than one as a result of the disturbance of aircraft, the ranchers should not be too concerned. I recall that during the election campaign of 1953 we were campaigning by aeroplane and booming our message down by loudspeaker to the people below. Subsequently one of the farmers complained that one of his cows had miscarried. I am sure that cost me a few votes and contributed to my defeat.

I was wondering, in view of the increased activity at Winnipeg airport by commercial aircraft and the growing hazard at this airport from small aeroplanes, especially those not equipped with suitable radio communication facilities, whether the department has taken definite steps to establish a satellite airport north of Winnipeg and, if so, whether a site has been chosen. If a site has not been chosen, could the minister tell us when he expects to make an announcement regarding the choice of the site?

Mr. Hees: We have selected a site, but we have not been able to announce it yet because we have not received the necessary authorization to purchase the land. But as soon as we do get authorization we shall be making the announcement.

Mr. Pickersgill: I should like to ask the minister about the language of this item. I am particularly interested in the last ten lines or so. Perhaps I had better read them out.

—the treasury board may in the current and future years—

In other words, this legislation is not merely for one year but for all time—

—authorize arrangements to be made for the operation of hotel, bakery, restaurant, staff messing, staff accommodation and similar facilities at airports and authorize the disbursement of revenues received therefrom and payment of deficits that may occur in the management and operation of these facilities.

I am not criticizing that; quite the contrary. Perhaps I should have noticed this before I spoke yesterday. I am glad to hear that the minister is taking power under this item to build and operate a hotel at Gander if he cannot find anyone else to do it. I assume that that is what this authority means. I think, though, that the minister should tell us how it is planned to use this authority. In that context I have a practical suggestion to make to the minister about the best single inducement to hold out in order to get a hotel at Gander. I think the Department of Transport which, after all, is in the driver's seat at Gander, should say that no one gets a licence to sell beverages at Gander unless he undertakes to build a hotel. It would not be very long, then, before a hotel was provided. But I think we ought to know precisely what the minister has in mind, at least for this year. We do not expect to have information with regard to future years.

Mr. Hees: The hon. member has asked what this wording means. It is technical wording required, again, by the treasury board—they

always seem to be the villains in the piece. This is technical wording required to enable us to use the revenues from the restaurant and bakery at Gander in a revolving account. Otherwise, we would not be able to make immediate purchases for our needs in that area. What was the other question?

Mr. Pickersgill: The suggestion I made to the minister was that if the government would say that in the new terminal whoever was licensed to sell beverages would have to provide a decent hotel, I do not think it would be very long before we got a hotel.

Mr. Hees: I am told that we are the licensee.

Mr. Pickersgill: Then I think it is up to you to build a hotel.

Mr. Chevrier: May I ask the minister what the policy is in the airports under the jurisdiction of the department concerning the sale of liquor? I understand that at Gander there is a licence. I also understand that in the new airport at Montreal provision has been made for a licence. Could the minister elaborate on that?

Mr. Hees: Yes. I understand that the licence at Gander has been in existence for some 20 years. Regarding the other airports no decision has been taken to make liquor available by sale.

Mr. Chevrier: What about the situation in the airport at Montreal? Provision was made for a liquor and beverage area.

Mr. Hees: No decision has been taken to make liquor available there.

Mr. Chevrier: That has not answered my question. Is the area in the Montreal airport which was provided as a liquor outlet still in existence?

Mr. Hees: Yes, Mr. Chairman.

Mr. Chevrier: But the policy of the department has not yet been determined with regard to the sale of liquor for all airports other than Gander. It is still under consideration. Is that the position?

Mr. Hees: Yes.

Mr. Pickersgill: Could the minister tell me what are the relations of the department with commercial caterers at Gander?

Mr. Hees: They act as our management agents under contract.

Mr. Pickersgill: But you are the licencees, and you actually own the premises.

Mr. Hees: We own the premises and are financially responsible.

[Mr. Hees.]

Mr. Nielsen: I should like to speak on item 435 for a moment and draw the attention of the minister once again to the question of northern allowances for departmental employees in the Yukon, apart from Canadian National Telegraphs employees. At four locations, particularly in the Yukon, there is what appears to be a definite discrimination between this department's employees and others. These areas are Aishihik, Snag, Watson Lake and Teslin. At the last two places, Teslin, and Watson Lake, the married allowance is $1,140 and the single allowance is $720. In Whitehorse, which is not nearly as isolated, comparatively, as Teslin and Watson Lake, the married allowance is $1,550 and the single allowance $928. The situation at Aishihik and Snag is comparable, because there is a definite discrepancy compared with the allowances paid to other departmental employees.

The other question I wish to raise concerns seaplane docking facilities at Whitehorse. I am wondering what progress has been made with regard to the establishment of this very necessary facility in the light of the increasing air traffic in the north, particularly near this location.

Another matter in which I am interested is the relocation of the Dawson airport. I understand that some investigation may be authorized with regard to this in the very near future. I certainly hope so, because Dawson, like Mayo, has laboured under the burden of extremely heavy freight rates, rates which could be reduced if the airport facilities were such as would permit the landing of four-engined aircraft in these two areas. In the Mayo area I understand the department has already surveyed a site. If the site surveyed is acceptable and suitable for the construction of an airport which would be large enough to accommodate four-engined aircraft in the vicinity of the city, this would lead to freight rates being greatly reduced. In the light of the freight travelling to the northern part of the Yukon, to the oil fields in that area, this is becoming increasingly important, Mr. Chairman.

The other matter that I have to bring to the minister's attention concerns terminal facilities at Whitehorse. The existing terminal facilities have been with us for years now, and there is a growing need for expanding those facilities to cope with the greatly increased traffic which is travelling through Whitehorse to all areas north, to European points and to Asian points. The facilities are used not only by Canadian air lines but also United States air lines. There is a very pressing need to expand the existing terminal facilities at Whitehorse.

The one last matter that I have to bring to the minister's attention concerns employment practices in the department. This practice existed when the minister took over his present office. I have made no personal investigation into it; therefore, I cannot say whether the allegations I have received are correct or not, but it has been represented to me that there is a practice in Watson lake of a man and wife working for the department. The complaint that has been submitted to me was submitted to me shortly after this government took office, and it was directed toward the practice of hiring the wife of a departmental employee in a job which another man might have filled if endeavours were made to locate a qualified person to fill it. I think the job that the wife is holding down is that of a cook. It has been stated to me that there are male cooks in the Yukon without jobs who could be employed on this work. May I suggest to the minister that this situation be investigated. If there are unemployed cooks in the Yukon, I believe it to be wrong for the wife of an already employed individual with the department to be holding down that job.

Item agreed to.

437. Construction or acquisition of buildings, works, land and equipment, including construction work on municipal airports and payments to municipalities as contributions towards construction done by those bodies, and amounts to be paid in settlement of claims for compensation by persons whose property is injuriously affected by the operation of a zoning regulation made under authority of paragraph (j) of subsection (1) of section 4 of the Aeronautics Act and including authority to contribute up to $250,000 in 1959-60 to the province of Nova Scotia towards the construction of a highway providing access to the new Halifax international airport, $63,000,000.

Mr. Chevrier: Mr. Chairman, really I cannot understand this vote. It comes to me as a great surprise. I hope the minister will not be able to reply—if he does I will have to take my seat—that a vote of this magnitude ever existed before. Certainly, I cannot remember it in the time that I was there; I cannot remember $63 million in one vote. I think it is just abnormal. The vote should be divided so that the committee will get some idea of what it is. After all, there is no sense in giving this wording:

Construction or acquisition of buildings, works, land and equipment, including construction work on municipal airports and payments to municipalities—

It includes everything that one can think of. There is more money being voted in one item here than in several other departments of government. Perhaps that goes to indicate some of the criticisms—constructive criticisms, I believe—that were directed against the department because of its size. Surely, something should be done about a vote of this magnitude. How can it be expected that the committee can give any serious consideration to a thing of this kind. I do not know what it means, and I have some comprehension of what goes on in the Department of Transport; but to ask for this tremendous amount and not give a greater breakdown than this I think certainly demands an explanation.

Mr. Hees: I think there is something in what the hon. member says. I think this could be broken down into smaller amounts and I will certainly see that that is done next year. If there are any specific questions the hon. member would like to have answered on this vote I should be glad to give him the answers.

Mr. Chevrier: I think the minister should break down the three or four items that are contained in the description of the estimate. First how much of this is for construction of buildings; how much is for municipal airports or contributions to municipalities; how much for zoning regulations and compensation in payment thereof; how much for the other airports contained in the last part of the vote.

Before the minister replies may I ask him this. Does he not think that this is the time to outline the policy of the government with reference to airports in general? By that I mean what is the policy with reference to municipalities; what is the policy with reference to far-flung areas in the country, and how much is contributed in that respect? What is the policy with reference to airports that do not fall within that category, such as small strips? I think now of those along the north shore of the St. Lawrence river. When it is established that additional services are required, does the department make contributions on each occasion? What is the reason for those contributions? Here we have a tremendous vote, and I think the minister should first of all outline what the policy is in connection with the various categories of airports falling under his department, and next give a breakdown of this $63 million under the headings which are mentioned in the vote.

Mr. Hees: The present arrangement under which the majority of airports are federally operated, particularly in the secondary field category, is the result of historical development and wartime growth. Basically speaking, however, the present policy is that the federal government encourages municipal operation of airports, and at mainline airports served by scheduled services may, if necessary, pay

a subsidy to a municipal airport operator toward meeting operating deficits. If the municipality is not prepared to operate the field and if the field is a major airport required to carry out international commitments, the federal government would assume responsibility. In other cases, particularly requests for construction of a new airport, the federal government normally requires municipal participation giving as a minimum assurance it will provide the land for the airfield and agree to operate it after the federal government has constructed it. In the case of local airports, dollar for dollar participation may also be required. The granting of operating subsidies to meet municipal deficits are dealt with by special investigation, both technical and economical in each case and then a reference to treasury board for decision.

In this vote, Mr. Chairman, there are no zoning expenditures and no expenditures for grants. It is all construction of runways and buildings. I have here a complete list of all of the expenditures. I could give them all but it would take considerable time. If the committee would like me to do so I will give only those where amounts of over $100,000 are going to be spent.

Mr. Chevrier: Before the minister does that, there is a clear indication in the vote that it is for amounts paid in settlement of claims for compensation by persons whose property is affected by the operation of the zoning regulations passed by the house. Therefore a substantial portion of the vote must be in payment of compensation for that purpose.

Mr. Hees: I am advised that there is a token item of $500,000 which is an authorizing item for unknown claims that may be made. To break down the vote roughly, there is $25 million for buildings and the remainder is for runways, lighting, taxiways, etc. If it is satisfactory to the committee and the hon. member would like it—as I say I can give every item but there are a great many—I will give those items over $100,000.

Mr. Chevrier: Give the items over $1 million.

Mr. Hees: The first one is Halifax, Nova Scotia, air terminal building and incinerator, $2,450,000; Torbay, Newfoundland, extending runway to 7,000 feet, $1 million; Montreal, air terminal building, $6,500,000; Montreal, power and heating plant for new terminal building, including distribution tunnels, $1,300,000; Montreal, concrete parking apron, $1,800,000; Montreal, new parallel runway, 10,000 feet by 200 feet, $2,900,000; Sault Ste. Marie, development of airport, $2 million; Toronto, development of the island airport, $1,500,000; Toronto, air terminal building, $8 million; Winnipeg, air terminal building, $3 million.

Mr. Chevrier: Does the amount for Toronto complete Malton airport?

Mr. Hees: That is just the start. Edmonton, air terminal building, $1,500,000; Edmonton, airport development, $1 million. Those are all the items $1 million and over.

Mr. Pickersgill: I should like to make a suggestion to the minister. After listening to these almost astronomical figures it would seem that the Department of Public Works is a very small department compared with the Department of Transport but the Department of Public Works does list its various projects. Of course, they have a grab-all for items less than $25,000. Perhaps that is too small a sum in this field but does the minister not think it would be in the interests of informing parliament and the people of the country better if next year this item were broken down into sub-items and every separate project amounting to over $50,000 was listed separately? It is true, of course, that there is the question of transferability of funds but as long as it is all under one item that problem does not arise. In public works they cannot transfer from one province to another. I am not suggesting that we go that far but it does seem to me, as the hon. member for Laurier has said, that this is a tremendous sum of money to put in a vote without any kind of itemization or anything that enables us to compare the expenditures in one year with those in another year.

While I am on my feet, may I deal with something about which I particularly want to speak. I refer to the contribution toward the highway to the new Halifax international airport. I do not want the minister to think that I am criticizing this. I am a very strong exponent and belong to a political party which is a very strong exponent of doing more about highways in the Atlantic provinces to compensate for the railway building that is done with federal assistance in other parts of the country and which is not very suitable in the Atlantic provinces.

Mr. Brooks: You have not done very much in your own province.

Mr. Pickersgill: If the hon. gentleman will look at the vote for the Terra Nova national park, which is right on the trans-Canada highway and which was established largely, if I may say so without undue immodesty, on my initiative when we were in office, he will see that I can make some claims that are very well recognized in my constituency.

I thank the minister for reminding my constituents because I would have been too modest to mention it myself.

I want to come back to the question of the Halifax international airport. It is very necessary that there should be a new airport at Halifax. Everybody recognizes that and, of course, as the hon. member for Laurier has reminded me and as he is too modest to say it himself I will say it for him, he was the one who decided that. This airport is some little distance from Halifax and if it is to serve that great metropolitan community it is most important that there should be a good high speed road to the new airport.

But we have a situation in Newfoundland where we have an airport which, I am afraid, is no better than the existing Halifax airport, if indeed it is as good, as far as weather is concerned. We are now finally beginning to get a road between St. John's and Gander, and it does seem to me that there ought to be some principle upon which this assistance is based. I know that the distance to Gander from St. John's is about ten times the distance from Halifax to the international airport and naturally one could not expect the same mileage rate, but I would ask the minister if he does not think, in view of the number of times that aircraft bound for St. John's have to stop at Gander, that there should be some consideration given to treating Newfoundland and the Gander-St. John's situation on the same kind of basis as this treatment of Halifax. Perhaps the minister would tell us precisely what the formula is in the case of Halifax.

Mr. Hees: The formula in the case of Halifax is that we have contributed to the provincial government the amount of money we calculated it would cost us to build a road from the airport to the nearest highway.

Mr. Pickersgill: To the nearest highway?

Mr. Hees: Yes.

Mr. Pickersgill: How far is that?

Mr. Hees: Five to six miles.

Mr. Pickersgill: I must say that the minister has somewhat deflated my case. I know that before he became minister his department was giving some consideration to an alternative site to Torbay out at Topsail or somewhere in that area where the weather is quite different from what it is east of St. John's. Of course, another airport would be a very expensive item. If a suitable site can be found, everyone would agree that would be the best thing but if a suitable site cannot be found then, as an alternative, I suggest that some consideration might be given to some assistance to speeding up work on the trans-Canada highway in order to overcome some of the frightful disabilities existing at present because of the state of the road to Gander.

Mr. Hees: I will draw that to the attention of my colleague, the Minister of Public Works.

Mr. Pickersgill: The Minister of Public Works, no; you will get nowhere doing that, if I may say so with respect. I suggest that the minister take it up himself and make the project his own. Then, in view of that grit and determination about which we have read in the public prints lately, we can hope something might happen.

Mr. Broome: I should like to draw the attention of the department to the question of specifying the products of western Canada for the construction of buildings in western Canada. I would request the incorporation of those products by name in the specifications. At the moment the specifications as developed by the Department of Transport are written with products manufactured in Montreal and in Toronto in view, to the extent of about 99 per cent. We think we are being discriminated against.

I should like to point out to the minister that this is exactly what happened to the 13 American colonies before 1776, because Britain tried to keep manufacturing there and did not allow any secondary industry in the 13 colonies. We, in British Columbia, have almost reached that point. The minister's officials have ways of ascertaining the different products which are available in other parts of the country, outside of Montreal and Toronto. I hope the minister will have his officials give active help to western manufacturers so that they will receive the same treatment as eastern manufacturers. I know something about specifications and the writing of specifications. This is not a hollow request. There is room for legitimate criticism of the way things are being handled now so far as our manufacturers on the west coast are concerned, and I suspect in Alberta as well.

Mr. Drysdale: I should like to raise a matter which is, I think, of considerable importance. I refer to the expropriation of property. I hope hon. members to the right will take it in the objective nature that it is being suggested. I raise this in connection with the Vancouver international airport. There were expropriations filed in 1954 and at that time the vast majority of the cases were settled.

What I wish to draw to the attention of the minister is that under the expropriation Act and also the Exchequer Court Act, unfortunately the valuation of the property has to be made at the date of expropriation. I feel that some consideration should be given to reviewing present expropriation procedures

because, under conditions as we have them today, property valuations have been increasing over the years. However, under the present system of expropriation a person is entitled only to the valuation of the property on the date of expropriation which, in this particular instance, is 1954, plus possibly an allowance of 10 per cent for forcible taking.

I lay no blame on the Department of Transport or on the particular people involved, but sometimes these properties are expropriated with extremely long range plans in view. It has been the practice, very often, to allow the people to remain in possession of these properties, without any settlement being effected. The result has been that when the time for settlement comes around the settlement is made on the basis of 1954 valuations. I have had a great deal of difficulty, personally, explaining to these people why they cannot get the advantage of the increased value. I would suggest that the minister give consideration to a plan whereby, for example, if property has been expropriated and no settlement has been made within one year, some provision could be made so that the owner could take advantage of increased land values. If that is not possible, then perhaps the replacement value of the property could be used as a basis for settlement so the person could locate in a similar place under similar circumstances.

As a result of having been associated with some of these individuals I suspect the minister's answer might be that they could proceed in the exchequer court, but the attitude toward people involved in these expropriation proceedings has been to load the gun in favour of the department. The majority of these people with small holdings are unable to afford the cost of expropriation proceedings. I feel some consideration should be given to reviewing the Expropriation Act and the Exchequer Court Act to provide for some of these contingencies in the future.

Mr. Brassard (Lapointe): I read what the minister said yesterday with regard to the possibility of establishing a civilian airport in the vicinity of Jonquiere. He said, as reported on page 4576 of *Hansard*:

—I should like to answer the hon. member's question about airports. I recognize the problem in the Chibougamau area—

I am sure the minister was referring to the Chicoutimi area.

Mr. Hees: That is correct.

Mr. Brassard (Lapointe): He said:

We have reviewed the general area from the point of view of other locations for a field and have the matter under continuing study.

[Mr. Drysdale.]

I should like to ask the minister if, in the survey of the area which has been made by D.O.T. officials, they have considered a location within the boundaries of Lapointe county, which means Jonquiere, Arvida or Kenogami?

Mr. Hees: Mr. Chairman, if some municipality makes an approach to us with a proposal we will be very glad to look into it. So far, none has.

Mr. Pickersgill: The minister mentioned a figure of $8 million, if I remember correctly, for Toronto. Was that for the new air terminal in Malton?

Mr. Hees: Yes, that is for the new air terminal. I am advised I said $8 million when I should have said $6 million.

Mr. Chevrier: May I ask the minister when the decision was taken about the establishment of the new air terminal at Malton, and where will it be located?

Mr. Hees: It is at the south end of the field, and I am advised the decision on that location was taken two or three years ago.

Mr. Chevrier: Are the plans and specifications ready?

Mr. Hees: No, not yet.

Mr. Chevrier: May I ask who has prepared the plans and specifications?

Mr. Hees: The firm of John Parkin and Associates.

Mr. Chevrier: Can the minister give an idea of the present estimate of the cost of the new terminal?

Mr. Hees: The first stage will be the construction of a single aeroquay. The first estimate is somewhere in the vicinity of $13 million.

Mr. Chevrier: How many stages will there be in the terminal?

Mr. Hees: This will be determined as traffic grows. The first stage is a single aeroquay and, as traffic develops, other stages will be developed.

Mr. Chevrier: Have any contracts been given for the first stage?

Mr. Hees: Yes, the excavation only.

Mr. Chevrier: When is it expected the terminal will be completed?

Mr. Hees: The indication at the present time is somewhere between four and five years.

Mr. Chevrier: Can the minister give an idea of what the total cost of the terminal will be?

Mr. Hees: No, Mr. Chairman, the plans have not advanced sufficiently to be able to do so now.

Mr. Chevrier: Can the minister tell the house what kind of terminal it will be? By that, I mean, what is going to be contained in the terminal? The minister says the first stage will cost about $12 million. What is envisaged in the terminal? Is it a terminal, for instance, in the nature of La Guardia?

Mr. Hees: This is a circular terminal building which does not include any office space. That will be the next stage, namely to build an office building which is separate.

Mr. Chevrier: What will be done about the present terminal?

Mr. Hees: It will be used for other purposes.

The Acting Chairman (Mr. MacEwan): Shall the item carry?

Mr. Dumas: No, Mr. Chairman. As to the construction of terminal facilities at Val d'Or airport, can the minister tell the committee whether plans have been finalized and arrangements made with the municipality of Val d'Or?

Mr. Hees: This is an R.C.A.F. field. I wonder whether the hon. member can tell me specifically what he has in mind?

Mr. Dumas: Yes. What I have in mind is this. That may be an R.C.A.F. field but Trans-Canada Air Lines are operating from that airport. As to the facilities there, while I would not say that they are third class, I will say that they were built in 1950 when we had a small airport at that place. Now it has grown and it is congested. I understand that the municipality has been in contact with the Department of Transport in connection with the improvement of those facilities.

Mr. Hees: It is my understanding that the city runs the airport and that it is their responsibility. We have not any plans at the present time.

Mr. Dumas: Can the minister say whether the municipality has approached the department with regard to the construction of those facilities?

Mr. Hees: Not to our knowledge. They have approached us for road assistance, but that is all.

Mr. Broome: I have not had from the minister an answer to my question. I should like the minister to give me an assurance that his officials will give every active assistance to western manufacturers who are desirous of submitting their products for the purpose of obtaining acceptability to the department so that they in turn may quote on projects which are in our area?

Mr. Hees: Yes. Our policy wherever possible is to use local products.

Mr. Broome: I asked for active assistance in getting the products accepted for specification purposes.

Mr. Hees: Yes; if local manufacturers or builders or makers of products wish to have them accepted and come to see us they will receive co-operation.

Mr. Broome: That is exactly the point. They are obliged to travel 3,000 miles in order to see department officials whereas people from Toronto can come up here over night or people from Montreal can come up here in two hours. Much of these negotiations must be carried on by correspondence. The idea I am trying to put across is that departmental officials should actually help these manufacturers to get the same treatment as if they were located in Montreal and could could come up here at relatively small expense and see departmental officials. In other words, what I am asking for is willing co-operation along those lines.

Mr. Hees: We shall be very glad to co-operate. If they will contact us by letter and let us know what they have, we shall be very glad to co-operate with them.

Mr. McFarlane: I want to ask the minister whether in the present estimate any consideration has been given to the construction of a major airport in Kootenay East. I realize that several briefs have been submitted in the matter. I believe the department officials in their wisdom will settle on a good location for the airport. I think this has been a matter of correspondence for some time.

Mr. Hees: Can the hon. member tell me specifically what location he has in mind?

Mr. McFarlane: Several locations have been mentioned in Kootenay East for the airport. At the present time we have an air field at Wasa and one at Cranbrook. Representations or briefs have been submitted to the department for a major airport to be constructed at Creston. We feel that this matter should be considered by department officials.

Mr. Hees: We are studying that proposal but there is nothing in this year's estimates. However, we are studying the proposal to which the hon. member has referred.

Item agreed to.

439. Contributions to municipalities or public bodies for construction and improvements of airports on land acquired by such organizations including a contribution to an appropriate authority in respect of an airport at Lourdes-du-Blanc-Sablon, Quebec, $82,060.

Mr. Chevrier: On this item I am prompted to ask the minister a number of questions. I remember that at one time there was on foot a plan to operate a milk run from Toronto to Montreal with stops at Cornwall, Belleville, Brockville, Kingston, and Oshawa; T.C.A. had in mind the operation of that run. I wonder whether anything has been decided in so far as that matter is concerned.

Mr. Hees: T.C.A. has nothing under consideration at the present time but we understand another operator has been giving it some thought.

Mr. Chevrier: I see that the hon. member for Stormont is in the chamber. I am sure he will not mind my asking this question inasmuch as I was on the other side of the house when two surveys were made of an airport for Cornwall. I wonder what progress has been made in that respect.

Mr. Hees: I am advised that the matter has not been pursued any further by the city.

Mr. Herridge: Can the minister tell us what improvements have been made in and what expenditure is provided for in these estimates for the Castlegar airport this year?

Mr. Hees: I am advised that the present site is developed about as far as it is capable of being developed.

Item agreed to.

Air Transport Board—

442. Salaries and other expenses, including the Canadian delegation to the international civil aviation organization, $369,285.

Mr. Chevrier: As the minister knows this is perhaps one of the most important items there is in this department because under it can be considered and discussed the various rights and agreements affecting the air lines of Canada. I am prompted here to bring to the minister's attention again the changes that were made in the United Kingdom air agreement which he announced in the house the other day and which I should like to discuss briefly and about which I should like to ask a few questions.

As I understand that matter, when it was announced by the minister there was first a service that would in the future operate from Toronto to Hong Kong, originating in Toronto. As the minister knows, there is also a service from Vancouver to Hong Kong in connection with the bilateral agreement. Next there was announced a direct operation Vancouver-Winnipeg-Edmonton to London. I presume that on that basis the Canadian government will in due course have to designate the chosen instrument for those two routes. I do not know what the government is going to do but I think the minister should give some indication of what is likely to happen arising out of these rights. After all, they have been granted by the government of Canada. Whether C.P.A. will expect to get and be entitled to get the run from Toronto to Hong Kong is a matter to which I think consideration should be given, and the minister might well indicate what is the position. It may well be that T.C.A., because of its western services, will expect to get the run from western Canada direct to London because of the services which it already performs from the eastern part of Canada to the United Kingdom.

Then another announcement which was made by the minister had to do with furtherance rights: that is, fifth freedom rights from London to Brussels, Dusseldorf and Vienna. Of course, as has already been discussed, if B.O.A.C. now gets access to Toronto arising out of the air agreement, I think that since these matters fall to be determined partly by the air transport board and partly by the minister and the governor in council under the Aeronautics Act, a matter of this importance should get a little further consideration than was given on the occasion of the announcement made by the minister. So that I ask the minister this: What will the position of T.C.A. be in the face of this amended air agreement when it comes into force in 1960? Next, what will the position of C.P.A. be in so far as the additional rights are concerned?

Mr. Hees: Mr. Chairman, the allocation to any particular airline of these new air routes has not been made, and when it is it will be announced by the government.

Mr. Chevrier: The minister says the allocation has not been made and will be announced when it is made. How will the allocation of these routes be made?

Mr. Hees: In the most equitable way that the government can do it.

Mr. Chevrier: I am not satisfied with that answer. Will it be made by an application by the airlines to the air transport board, or will it be made by determination of the governor in council?

Mr. Hees: The allocation of an air route to any air carrier under an international agreement requires a government decision, not an order in council.

Mr. Chevrier: A government decision means that the decision is made by the governor in council.

Mr. Hees: Yes.

Mr. Chevrier: Then, may I ask the minister this. Since the governor in council, as I understand it, has not determined what the chosen instrument shall be in these various cases, what other airlines have made representations to the government for additional rights in Canada?

Mr. Hees: Mr. Chairman, it is not a question of airlines making applications. I have asked the air transport board to study the whole international picture and to submit a report to me with their recommendations.

Mr. Chevrier: Is that a report which is made under the Aeronautics Act?

Mr. Hees: It is the air transport board reporting in the normal course of its duty to the minister on what it recommends under this agreement with regard to the routes which should be allocated to a specific airline.

Mr. Chevrier: Under the Aeronautics Act, as I understand it, an application must be made before the matter can be brought to the attention of the air transport board. Has an application been made by any of these airlines for additional rights in Canada?

Mr. Hees: No formal application. There have been informal discussions.

Mr. Chevrier: Will the report the minister speaks of be available to the house?

Mr. Hees: No. This is a private report made by the air transport board to the minister.

Mr. Pascoe: Mr. Chairman, under this item 442 dealing with the air transport board I should like to take a few minutes of the committee's time to refer to the recent order of the board which cut the city I represent, Moose Jaw, Saskatchewan, from regular airline service as of last April 6. This was done, as the minister knows, when the board approved the application of Pacific Western Airlines to suspend operations in Moose Jaw. I want to draw the attention of the minister to the need for some policy that will assist cities which find themselves cut off from a regular scheduled flight although they possess very adequate airport facilities. In this regard I want to endorse the remarks of the hon. member for Medicine Hat, who made an appeal yesterday for greater attention to air service for the cities on the prairies. The minister knows of our efforts in Moose Jaw to obtain an air service in line with our position as a city of over 30,000 serving an area with a population of 100,000 people in a flat, open country which is very suitable for day and night flights, with ideal flying weather conditions.

I have here, Mr. Chairman, some correspondence from Moose Jaw officials to press our claims for greater consideration in future air services, and if I may I would like to put on record just a few excerpts from recent letters. This is part of a letter written by the mayor of Moose Jaw, and it says:

> The municipal air board, the chamber of commerce and the city of Moose Jaw are most concerned with the situation in which the city of Moose Jaw is now placed by being completely eliminated from the commercial air map.

Then again he says:

> The municipal airport has a double hangar under lease from the Department of Transport and is in a position to provide excellent facilties . . .
>
> The board has, since undertaking the responsibility of civilian commercial aviation in this district, expended some $53,000 in the hangar in order to provide a radio room, ticket offices, waiting room, maintenance shop and heated hangar storage if required. In addition, we have in the past six months installed two gasoline dispensing units capable of dispensing gasoline at the rate of 50 gallons per minute, thereby providing emergency gasoline service whenever required.
>
> Our hangar is located at the R.C.A.F. station which has one of the best airfields in Saskatchewan.

I might point out to the minister, Mr. Chairman, that some form of feeder line service linking prairie cities off the T.C.A. route would almost certainly increase T.C.A.'s passenger service. It has been estimated that Trans-Canada Air Lines now enjoys passenger fares from Moose Jaw of over $125,000 annually without providing any air facilities at all in the city. Passengers buy their tickets in Moose Jaw and provide their own transportation to Regina to board the plane. I think, Mr. Chairman, as do the people of Moose Jaw, that it would be good business to provide an air link to encourage this passenger traffic.

Moose Jaw has always been a very air-minded city, with almost a pioneer's record in the aviation field. We had one of the first flying fields in the west and one of the first flying clubs. We staged the first air show in the province in 1929, 30 years ago, when over 30,000 people saw one of the first exhibitions of formation and stunt flying, and the first exhibition of parachute jumping. The test flight before the official start of the old western Canada air mail service took off from the Moose Jaw flying field. I had the pleasure of being a passenger on that trial flight, in 30-degree-below temperature in the middle of winter and with the pilot, the well known northern flyer, Con Farrell, sitting in an open cockpit.

I am not speaking for Moose Jaw alone, Mr. Chairman. At a recent meeting of the

sessional committee on railways, steamships and air lines it was indicated by Mr. Gordon McGregor, T.C.A. president, that by 1961 the T.C.A. will be operating an all turbine powered fleet, consisting of Viscounts for the shorter distance operations; Vanguards for the medium distances and DC-8's for the long-range flights.

T.C.A. flights 150 and 151, operating between Winnipeg and Calgary, using DC-3's, now touch down at Brandon, Yorkton, Regina, Swift Current, Medicine Hat and Lethbridge. Mr. McGregor's statement that all turbine powered aircraft will be operated by T.C.A. by 1961 indicates that there will be no DC-3's in operation by that time. Most of the smaller airports mentioned above have runways that cannot handle the larger planes. This means that these cities might also, like Moose Jaw, lose their regular scheduled air flight service. I am sure this matter is being given very serious study by air flight experts with the object of accommodating the points now on T.C.A. flight 150 and 151 schedules.

I wish again, Mr. Chairman, to emphasize to the minister, and through him to the air transport board the need to include Moose Jaw in such a service, and the claims of Moose Jaw to be included in such a service.

I wonder whether the minister would comment on the future policy with regard to prairie cities in the light of Canadian flight schedules after 1961?

Mr. Hees: This is, as I am sure the hon. member realizes, and as he has pointed out, a very difficult problem and a major problem and it is one which is under very serious study at the present time.

Mr. Fisher: Has the minister had any indication from the civil aeronautics board in the United States as to the position of North Central Airlines with regard to their wish to establish a line to the Canadian lakehead which would link up to Minneapolis?

Mr. Hees: Nothing has come through from the United States with regard to this matter.

Mr. Fisher: If the board in the United States does entertain this application from North Central Airlines, what part could be played by the local people in that area? We are very anxious to have this particular franchise established. And what part is played by the air transport board in relation to the Department of External Affairs in this matter?

Mr. Hees: The hon. member asked what the people of the lakehead could do to further this application, and the answer is that they could go to Washington and support the application when it comes before the air transport authority there. The hon. member asked what is the role of our air transport board here. It is to license the airline once a licence has been granted to the airline by the air transport authority in the United States.

Mr. Fisher: Is the minister now satisfied that the whole question of international air agreements can go much faster than a year ago when he said he was not able to make much progress in getting together with the United States authorities?

Mr. Hees: I regret to say that the answer is, no. We try on every possible opportunity to reach agreement with the United States on these matters but we find the going hard.

Mr. Fisher: In pilotage and then, again, in the air we seem to have repeated and consistent delays. The minister says, of course, that it is not the fault of his department. What seems to be the problem in the channel of communications?

Mr. Hees: There is no problem in communications but we find it is difficult in all these cases to get the United States authorities, first, to sit down and talk and, second, to agree to what we believe to be fair propositions. They are tough bargainers.

Mr. Fisher: Does this mean that they will not pay attention to Canadian interests because, perhaps, these are considered minor matters and there are more important matters with which the authorities in the United States want to deal, or is it because they want the highest possible rate, and the department has to struggle and struggle with them?

Mr. Hees: I do not think it would do international relations any good if I were to describe these things in intimate detail. All I will say is that we are doing our best to reach agreement with the United States. We have our propositions which are fair and reasonable, and I am sure they do, too, but we find it difficult to reach these agreements, though it is not for lack of trying on our part.

Mr. Fisher: One last question. Who replaced the member of the air transport board who died last year?

Mr. Hees: Mr. Paul Davoud who is the present chairman.

Mr. Fisher: Could the minister give us any idea of his background?

Mr. Hees: There is no secret about this. A press release was made, his background was given in great detail, and since it was in all the papers I am surprised the hon. member has not read it. We have not got the details of his background here, but I thought every hon. member was thoroughly familiar with

them because this was an important appointment. I should have thought that the hon. member would have read the announcement.

Mr. Fisher: I did, but I was not able to discover anything about his political persuasion.

Mr. Hees: Mr. Chairman, I am able to say that I have no idea what party he chooses to support.

Item agreed to.

Mr. Hanbidge: I wish to speak on item 443—

Progress reported.

Mr. Speaker: It being five o'clock the house will now proceed to consideration of private and public bills, the former having precedence, in accordance with standing order No. 51.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill SD-107, for the relief of Maurice Castonguay. (Without Amendment).—Mr. McCleave.

Bill SD-277, for the relief of Iris Marion Saunders Robbins. (Without Amendment).—Mr. McCleave.

Bill SD-278, for the relief of Eleonora Dudarowa Shukoff. (Without Amendment). —Mr. McCleave.

Bill SD-279, for the relief of Jeannette Belanger Ross. (Without Amendment).—Mr. McCleave.

Bill SD-280, for the relief of Evelyn Isbitsky Goldenberg. (Without Amendment).—Mr. McCleave.

Bill SD-281, for the relief of Salla Weisman Stopnicki, otherwise known as Sally Weisman Stopnicki. (Without Amendment). —Mr. McCleave.

Bill SD-282, for the relief of Ovila Rivet. (Without Amendment).—Mr. McCleave.

Bill SD-283, for the relief of Bella Valinsky Segal. (Without Amendment).—Mr. McCleave.

Bill SD-284, for the relief of Alexander Pavlovich. (Without Amendment).—Mr. McCleave.

Bill SD-285, for the relief of Catherine Anne Gillis Roper. (Without Amendment). —Mr. McCleave.

Bill SD-286, for the relief of John Robertson Low. (Without Amendment).—Mr. McCleave.

Bill SD-287, for the relief of Barbara Ann Foam Armstrong, otherwise known as Barbara Ann Foam Copan. (Without Amendment).—Mr. McCleave.

Industrial Relations

Bill SD-288, for the relief of Ruth Mary Morgenstern Usher. (Without Amendment). —Mr. McCleave.

Bill SD-289, for the relief of Eddie Ronald Joe Willard. (Without Amendment).—Mr. McCleave.

Bill SD-290, for the relief of Michel Alphonse Dubois. (Without Amendment).—Mr. McCleave.

Bill SD-292, for the relief of Phyllis Ann Applebaum Isenberg. (Without Amendment). —Mr. McCleave.

Bill SD-293, for the relief of Zita May Pardoe McCall. (Without Amendment).—Mr. McCleave.

Bill SD-294, for the relief of Monique Andree Seguin Tyson. (Without Amendment).—Mr. McCleave.

Bill SD-295, for the relief of Bertha Sylvia Berman Maxwell. (Without Amendment).—Mr. McCleave.

Bill SD-296, for the relief of Margery Fletcher Dennis Phillips. (Without Amendment).—Mr. McCleave.

Bill SD-297, for the relief of Margaret Helen Dawson MacKenzie. (Without Amendment).—Mr. McCleave.

Bill SD-298, for the relief of Eleanor Gwyneth Henley Norman. (Without Amendment).—Mr. McCleave.

Bill SD-299, for the relief of Marie Pauline Primeau Landreville. (Without Amendment). —Mr. McCleave.

Bill SD-300, for the relief of Ellen Wilk Tuke. (Without Amendment).—Mr. McCleave.

Bill SD-301, for the relief of Rhoda Lillian Rabinovitch Katchan. (Without Amendment). —Mr. McCleave.

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

The house resumed, from Friday, February 27, consideration of the motion of Mr. Peters for the second reading of Bill No. C-8, to provide for minimum wages for employees.

Mr. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, when the debate adjourned on February 27 I had just risen to make a few comments on this bill. Perhaps, to refresh our memories, I should refer to the explanatory note of the bill. It says:

The purpose of this bill is to establish a minimum rate of wages with respect to all employees in Canada who come under federal labour jurisdiction. This bill provides that such minimum rate of wages shall be $1.25 per hour. The bill also provides that its terms do not affect any employee whose rate of wages is higher than the minimum established

by this legislation. However, any rate of wages less favourable to employees than $1.25 per hour is superseded by this bill.

The last time this was discussed I had expressed approval of the principle of a minimum wage law. I was about to differ with the principle of this bill, and I think that one of the main objections to it lies in the fact that it says that this bill can apply only to those who come under federal jurisdiction. I believe that to be a serious defect in the bill and I believe it would nullify the value that it would have otherwise. The second objection I take to it is that $1.25 an hour may be suitable in one part of the country; it may be too low in another part and it may be too high in still another part of the country.

I should like now to refer to one matter which the member for Timiskaming mentioned when he introduced the bill. He compared it with a previous minimum wage bill which had been introduced in 1935 and was actually enacted by the parliament of Canada. That bill, of course, did differ greatly from the present one inasmuch as its purpose was to apply to everyone in Canada, not only to those under federal jurisdiction. This is a matter that seems to come up quite often these days. When we come to enact legislation we find a conflict of jurisdiction between the federal and provincial governments.

I think nearly everybody who took part in the debate of that day did refer to the fact that this legislation had been referred to the Supreme Court of Canada which ruled it to be ultra vires. I must confess that at the time this was last discussed I felt that was the case myself. However, I have before me the page of the judgment of the Supreme Court of Canada at that time and I believe this has a very important bearing on all of our labour legislation.

It has been suggested many times that we should have uniform labour legislation and, of course, the purpose of the bill in 1935 was to ratify one of the conventions of the international labour organization which had been set up pursuant to the treaty of Versailles and under the auspices of the League of Nations. We are still members of that international labour organization, and we have not been able to ratify many of the conventions of that organization because of this very conflict that arose over the jurisdiction of federal and provincial governments.

I should like to refer to the judgment of the supreme court at that time, because as it turns out the legislation was not found to be ultra vires by the supreme court. Three of the justices held that it was intra vires of the federal government and three justices held that it was ultra vires. As a result, it was referred it to privy council who then declared that it was ultra vires. Of course, we are not faced with that situation today. If the same decision had to be made over again it would be the Supreme Court of Canada who would have the decision to make and for that reason I think it is very interesting to look at the decision that was made by the supreme court at that time. I am just going to refer to it now.

I hold in my hand a book from the library of parliament entitled "Supreme Court and Privy Council Judgments Special Legislation—1934-1935". This is in the matter of a reference as to whether the parliament of Canada had legislative jurisdiction to enact the Weekly Rest in Industrial Undertakings Act, being chapter 14 of the Statutes of Canada, 1935; the Minimum Wages Act, being chapter 44 of the Statutes of Canada, 1935; and the Limitation of Hours of Work Act, being chapter 63 of the Statutes of Canada, 1935. There was a good deal of other social legislation enacted by the Bennett government at that time and the other acts that were passed at that time were ruled ultra vires by the supreme court. However, in this case, as I pointed out, there were three judges on each side. This is the head note:

> Held, per Duff C. J. and Davis and Kerwin J. J., that these acts are intra vires of the parliament of Canada; per Rinfret, Cannon and Crocket J. J., that they are ultra vires.

I should like to read a portion of the judgment of the three judges who held that it was intra vires of the federal government.

> From two main considerations, the conclusion follows that legislative authority in respect of international agreements is, as regards Canada, vested exclusively in the parliament of Canada. First, by virtue of section 132 of the British North America Act, jurisdiction, legislative and executive, for the purpose of giving effect to any treaty obligation imposed upon Canada, or any one of the provinces of Canada, by force of a treaty between the British Empire and a foreign country, is committed to the parliament and government of Canada. This jurisdiction of the dominion the privy council held, in the Aeronautics case and in the Radio case is exclusive; and consequently, under the British North America Act, the provinces have no power and never had power to legislate for the purpose of giving effect to an international agreement: that, as a subject of legislation, is excluded from the jurisdiction envisaged by section 92.
>
> Second, as a result of the constitutional development of the last 30 years, and more particularly of the last 20 years, Canada has acquired the status of an international unit, that is to say, she has been recognized by His Majesty the King, by the other nations of the British commonwealth of nations, and by the nations of the world, as possessing a status enabling her to enter into, on her own behalf, international arrangements, and to incur obligations under such arrangements. These arrangements may take various forms. They may take the form of treaties, in the strict sense, between heads of states,

to which His Majesty the King is formally a party. They may take, inter alia, the form of agreements between governments, in which His Majesty does not formally appear, Canada being represented by the governor general in council or by a delegate or delegates authorized directly by him. Whatever the form of the agreement, it is now settled that, as regards Canada, it is the Canadian government acting on its own responsibility to the parliament of Canada which deals with the matter. If the international contract is in the form of a treaty between heads of states, His Majesty acts, as regards Canada, on the advice of his Canadian government.

It goes on with two or three further instances and I will refer to one particularly farther down the page. It says:

—in all these matters the authority of parliament in not merely paramount but exclusive.

The Minister of Labour was asked a question in the house a few days ago with respect to why we had not ratified some of the conventions of the international labour organization. I believe this is a matter worth pursuing and if we can find some way of enacting legislation that will apply to the whole country I think it would be very worth while. However, in view of the fact that the bill would only apply to those who come under federal jurisdiction, as it exists at the present time I am sure everyone will agree that the bill is not suitable.

The hon. member who introduced the bill placed on *Hansard* information as to the minimum wage provisions of the various provinces. We find that the amounts range from a low of 35 cents per hour in Newfoundland to a high of 75 cents per hour in British Columbia. It would seem to me to be absolutely ridiculous to have legislation providing for a minimum wage of $1.25 an hour which would apply to employees of federal organizations in a province and at the same time a provincial statute making provision for a minimum wage of only 35 cents an hour. It would be completely discriminatory in the case of firms that came under federal jurisdiction.

I think that emphasizes the other point I have made that from the range of minimum wage rates in the various provinces across Canada we can see that one minimum wage might not be suitable and if federal legislation were enacted applying to the whole country that would not mean that there would not have to be varying rates. Certainly that was taken into consideration in the original legislation enacted in 1935. Provision was made for varying rates across the country if that was found to be necessary, and I firmly believe that is the case. Therefore for the reasons I have mentioned I strongly suggest that this measure be rejected at the present time.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, first I should like to say how very privileged I am to have the opportunity of speaking on such an important measure as minimum wages, the subject before the house at this time. I should also like to take this opportunity to commend most heartily the hon. member who has brought this legislation before the house because I feel that I am not alone and that in fact every hon. member of the house is against the possibility of any one Canadian or any group of Canadians, any one labourer or group of labourers, being exploited as a cheap labour source. This, sir, is intolerable. In fact, one of the principles of the bill is concerned with protecting people against such exploitation. As the hon. member who has just spoken has so well pointed out, our ability as a federal legislative body is limited with regard to minimum wages, but I believe that every member of the house is definitely against those conditions which permit the exploiting of a cheap labour source.

Before I go into the actual merits of the bill I want to touch very briefly on something I have noticed during private member's hours. There seems to be an attitude that once such bills are presented by hon. members opposite there is an attempt to talk them out. I do not want to go on the defensive or make excuses but I should like to state in the most forthright and sincere manner that invariably bills presented to the House of Commons during this hour are of a contentious or complicated nature and require sincere and close study by all members of the house. For my part I should simply like to state that I do not think there is political cowardice involved in any sense whatsoever when I say I am not prepared to vote on this bill at the present time.

I do not suggest that this legislation should be shelved but it needs objective study and I feel that the discussion during private members' hours helps to contribute to the gathering of material which in turn will help to contribute to good legislation that will stamp out the ability of any employer to exploit a cheap labour source. Let us look at clause three of the bill. As has been pointed out time and again by previous speakers, clause three provides as follows:

This act applies to and in respect of employment upon or in connection with any work, undertaking or business that is within the legislative authority of the parliament of Canada, including, but not so as to restrict the generality of the foregoing—

As has been pointed out, our ability to be very effective in a legislative way with regard to minimum wages is restricted here.

I say this because I think it is most important that after the debate is over no member of the House of Commons should try to go out and say to the public that what is involved is legislation to provide a minimum wage of $1.25 right across the board for all types of work in all areas of Canada from coast to coast. That is just not the case.

Before preparing my notes for this debate I talked at length with officials of the Department of Labour and I am sincerely satisfied that the question of minimum wage legislation—I know this is an often used expression—is receiving active and thorough consideration by the Department of Labour. I think that a definition of minimum wage is something that we should try to arrive at in our discussion of the subject. Historically the definition of minimum wage in by-gone days was a living wage. Later minimum wages were described in relation to varying standards of living. At the international labour organization conference in 1928 minimum wage was described as a suitable standard of living.

Within the provincial sphere we find that during the past years the provinces have tended to define a minimum wage as a wage sufficient to cover the cost of living. This has been arrived at by preparing a list of commodities necessary for a worker and his family to be able to live in a suitable manner. Herein lies a very important attempt to define exactly what we mean by a minimum wage. We know that a minimum wage for skilled labour is often arrived at by collective agreement brought about by union activity. This is done under the collective agreements act in the province of Quebec and, in the other provinces, under the industrial standards act. In fact I think it is most important that we point out right now that because of the conditions to which the hon. member who has just spoken referred, because of varying local conditions right across the nation, I feel it is important that union activity, not always but largely union activity, brings about the necessary minimum wage levels.

It is becoming increasingly apparent across the country that it is the unions who, by their responsible actions, are bringing about at least what we should call minimum wages for the workers under their jurisdiction. It was pointed out how difficult it is, even within a province, to arrive at uniform minimum wage legislation. Zones have to be set up between industrial and rural areas. As the hon. member who has just spoken pointed out, in most provinces the minimum wage is different from the amount that we are now discussing in this chamber.

Another thing that comes to my mind in looking over the proposed measure—I can be corrected if I am wrong—is that so far as I can ascertain this is the first time that the federal parliament has attempted to deal with the problem of minimum wages by statute. In the past it has seemed wiser not to deal with minimum wages per se by statute. Naturally, with the experience of the past before us I am led to wonder if certain risks are not involved in dealing with minimum wages by statute. We see that in those specific provinces which I have already mentioned there are minimum wages fixed by minimum wage boards.

Before closing, there is one thing that I do want to stress most emphatically, and it is this: We are not hiding anything, but this is definitely a matter of considerable importance to the labouring force. I believe the Progressive Conservative party has shown what its attitude toward the workers of this country is since we came to power. We have the contemplated amendments to the unemployment insurance legislation before us. The Minister of Labour has actively placed great emphasis on the national placement service of the Department of Labour. During the last session we saw the Minister of Labour introduce legislation to extend the unemployment insurance benefits. It is most important in my opinion that the problems of management and labour are approached with a high degree of forthrightness and statesmanship by the members of this house.

I personally feel that good management-labour and in turn good management-labour-government relations constitute the most important single domestic consideration before this House of Commons. I well remember, in my early college days, when the Liberal party called themselves the liberal compromise, middle of the road party. They told us that truth never lay at the extremes. What did that mean, Mr. Speaker? I shall tell you what it means. While the princes of privilege, with their grab-bag of fetishes forgot their stewardship and bowed before the throne of Mr. Howe, the hon. member for Essex East (Mr. Martin) was calling us the party of St. James and Bay streets. While the hon. member for Laurier (Mr. Chevrier) divided race from race, the hon. member for Essex East put party before national interest and invariably divided labour from management. Today, I think our party has shown time and time again that labour's interest is always the national interest. We do not divide and rule, but our party has established by its legislative commitments a good atmosphere in this field for co-operation between labour, management and government. I feel that the paramount

consideration in the minds of members of parliament should be the keeping of this atmosphere intact because, as I say, this is the most important single domestic consideration that we have before us today.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, it is not my intention to put a great many words on *Hansard,* but I do appreciate this opportunity of making a few remarks on Bill No. C-8 brought forward by the hon. member for Timiskaming (Mr. Peters). The purpose of this bill has already been stated, but perhaps I should put it on the record again. As I understand it, the purpose of the bill is to establish minimum wages with respect to all employees who come under federal labour legislation. I shall deal later with the specific employees I have in mind.

The bill provides that such minimum rates of wages shall be $1.25 per hour. The bill would also provide that its terms will not affect any employee whose rate of wages is higher at the moment than the minimum that would be established by the bill, but any rate of wages less favourable to the worker than $1.25 per hour is superseded by the bill. I should like to remind the house, for the record, that in the memorandum presented to the cabinet on January 22 of this year by the Canadian Labour Congress, legislation of this nature was requested. I quote from the submission, the start of the second paragraph on page 28:

> We believe parliament should enact a national minimum wage of $1.25 an hour and a national maximum work week of 40 hours.

With this I fully agree, and I shall try to elaborate in a minor way why that is so. The previous speaker has said that unions were doing a good job, and that is quite true. It is also true to say that approximately 400,000 employees engaged in industry come under federal jurisdiction, about 70 per cent of whom are covered by collective agreements. However, there are still a large number who are not so covered, and I refer to the employees in our own national parks.

In Cape Breton, we have the beautiful Cape Breton Highlands national park. Despite recent increases, the labour rate paid at this park now is still only $1 per hour. In correspondence with the Department of Labour I am informed that in order to determine the rates of pay to recommend to employing departments for prevailing rates employees wage surveys are conducted by the labour department to ascertain the rates paid by private industry in the area for similar work. I am informed also that each survey is a personal survey, conducted by an officer of the department right in the field. Studies are also made of any collective agreements that have been sent in to the labour department at Ottawa and which affect wage rates in the area under review.

It is rather difficult for me to understand why such a low rate is paid in Cape Breton Highlands park. It must be rather difficult to make a proper survey of industry in the immediate area because, other than a small fish plant and a gypsum operation, no other industry exists in the county. I may say that the hourly rate that is paid in the gypsum operation is higher than that paid in the park.

Possibly one solution could be arrived at if the survey was made taking into consideration the industrial area of Cape Breton which is not too many miles distant. It is also my information that the aforementioned wage surveys and recommendations for any necessary revisions in the prevailing rates are made only when the labour department is requested to do so by the employing department. Because of these circumstances it is possible that a goodly period of time would go by before a new survey would be made, possibly because of an oversight on the part of the department concerned. I personally cannot see any justification for a wage earner to be paid the sum of $1 per hour doing the same work in this park while, for instance, in the Banff national park the hourly rate is $1.65.

For the information of the committee I should like to quote and put on the record the hourly rates paid at the various national parks throughout Canada. This is information which has been received from the department of northern affairs. Then hon. members will have an idea of what I am trying to get at. The rates are as follows:

Labour Rates in National Parks Across Canada
(Hourly Rates)

Ottawa	$1.30
Banff National Park	1.65
Jasper	1.60
Kootenay	1.65
Elk Island	1.25
Mount Revelstoke	1.65
Glacier	1.65
Prince Albert	1.35
Riding Mountain	1.25
Waterton	1.25
Yoho	1.65
Point Pelee	1.15
St. Lawrence Islands	1.20
Georgian Bay	1.15
Prince Edward Island	.85
Fundy	.95
Cape Breton Highlands	1.00
Terra Nova, Newfoundland	1.00

In view of these figures I have given, if for no other reason, I am sure all hon. members of this house will realize why I feel that the principle of this bill is most important. I should like to congratulate the hon. member for Timiskaming for bringing it into the house and to assure him of my support.

Hon. Paul Martin (Essex East): Mr. Speaker, I had intended in any event to say a few brief words in support of this bill. But if I had any reluctance to do so, that reluctance has been removed by the juvenilia of the hon. member for Brome-Missisquoi (Mr. Grafftey) for whom I have, as he knows, a great affection even though I find it somewhat difficult to follow his inconsistencies both in this house and before he came to this house when he embraced the Liberal party as one of its ardent advocates.

Mr. Martel: He finally saw the light.

Mr. Martin (Essex East): My hon. friend says that he finally saw the light. It is quite apparent that many people in this country have seen the light as was indicated by the great increase in Liberal support in the results of yesterday's Ontario election.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I know that hon. gentlemen opposite are not too happy about what happened yesterday in the province of Ontario. It is significant that the combined opposition vote yesterday in Ontario is larger than the vote received by the Conservative party.

What I rose primarily to say was that this bill surely now is to be regarded as being in line with the responsible attitude taken now by most people with regard to the need for recognizing that in the complicated nature of the society in which we live increasing attention must be paid by the community to the problems and deprivations of so many people. This bill which seeks to provide for a minimum rate of wages with respect to all employees in Canada who come under federal labour jurisdiction arises out of a concept that prompted the promulgation in this country of wise and widespread social measures both on federal and provincial account, but particularly in recent years on federal account. Those of us who sit in this group do not need to take second place to anyone in this country or to any group in this country in our advocacy of measures seeking to provide desirable social measures for our people. In view of the fact that we belong to the party responsible for family allowances, old age pensions, disability pensions, blindness allowances, the national hospital insurance plan—

Mr. Monteith (Perth): What has this to do with the bill?

Mr. Martin (Essex East): —and for the veterans charter it is therefore consistent that we should, as we review the problems that face the people of Canada at this time, give as we do support to a measure of this kind.

The hon. member for Brome-Missisquoi, in his penetrating analysis which I regrettably did not hear but about which I have been told, spoke knowingly about the problem of labour and management. He should be the first to realize that there is nothing unique in a member of this group in the opposition recognizing that not only is there a problem but also that there are rights and obligations for labour and that likewise there are rights and privileges for employers. We need not take second place to any group in this house because of what we have done over the years by way of seeing to it that the labour groups in this country were given the opportunity of enjoying the full advantage of the part which they themselves in such large measure have played in the building up of their own organizations and in the promoting of their own welfare.

My friend, the hon. member for Brome-Missisquoi sought to convey the impression that because there were strong personalities in the preceding administration, we had thereby abandoned our advocacy and our championship of the rights of labour. Great historian that he is and penetrating student of political science that we all recognize him to be, my hon. friend knows, of course, that that is not the case. He knows that we have been consistent over the years, particularly since the days of one of the great figures of our time, one of the greatest men who ever sat in this house, a great prime minister in war and peace, Right Hon. W. L. Mackenzie King, who will always be looked up to in this country by generations to come, not only because he was the first deputy minister of labour and not only because he was the first full time minister of labour but because he was, when it was not popular to be so, the great champion of labour's rights and was more responsible than anyone else in the political life of our country for the advances that were given to labour, which advances are imbedded in the international labour organization constitution and in such charters as the declaration of Philadelphia.

The Liberal party need not take occasions like this to affirm its convictions and to remind hon. members of this house—so many of whom are new, but it is a good thing for these new members to realize this—that at a time when the advocacy of social welfare measures was not popular and at a time when it was not regarded as respectable to fight for labour, hon. gentlemen opposite, who now intervene with these wholly meaningless interruptions, were among those who

charged us with championing causes and taking positions which were said to be dangerous.

An hon. Member: Hospital insurance.

Mr. Martin (Essex East): Hospital insurance. Well do I recall, when we discussed hospital insurance in this house, being told by hon. members and some of the journals which strongly support hon. members opposite that we were embarking upon a program which was beyond the financial capacity of this nation, creating, it was argued, additional props to the so-called welfare state. These hon. gentlemen, having condemned this proposal of hospital insurance and having referred to it as one that would bankrupt this nation, now realizing its popularity, seek to claim authorship when we all know perfectly well that the present hospital insurance act was placed on the statute books by a Liberal government under the Right Hon. Louis St. Laurent.

Mr. Monteith (Perth): You were forced to do it by Frost.

Mr. Martin (Essex East): My hon. friend says that we were forced to do it by Frost. I am glad that the Minister of National Health and Welfare (Mr. Monteith), who I regret to say in the time he has been minister has not shown too great an interest in hospital insurance, mentions that.

Mr. Monteith (Perth): Mr. Speaker, on a point of order, I regret to have to differ with my friend, but at the same time I think the record will show that we have developed hospital insurance much more quickly than it would have been developed under the previous administration.

Mr. Martin (Essex East): It is not unnatural for the minister to make that statement, but the records after the election of June 1957, and in the sessions of 1957, 1958, will show that on four distinct occasions I rose in my place and urged the minister to take advantage of the fact that there was a master agreement in existence prepared by the previous administration and awaiting concurrence.

Mr. Monteith (Perth): And we changed that over to—

Mr. Martin (Essex East): —by those provinces which had not accepted the program—

Mr. Speaker: Order. This is a most interesting debate, but I would ask the hon. member for Essex East (Mr. Martin) whether he does not think that by now he has dealt fully with the irrelevance of the hon. member for Brome-Missisquoi (Mr. Grafftey). After all, he was only out of order for about two minutes, and the hon. member for Essex East has been out of order for at least fifteen minutes. Therefore, weighing one against the other, I think it might be advisable to return to the bill, which has to do with minimum wages.

Mr. Pickersgill: Mr. Speaker, before the hon. gentleman resumes his speech, I think I have a question of privilege to raise about what was said by the Minister of National Health and Welfare in his ridiculous claim that the hand of the Liberal government was forced by Mr. Frost. Mr. Frost claimed that his hand was forced by the reporting of a speech which I made in the city of Kitchener.

Mr. Martin (Essex East): Your Honour asked me a question, and I cannot say that I agree with what you have said. This is a bill that has to do with establishing minimum rates.

Mr. Speaker: If he does not agree perhaps the hon. member will indicate to me why he feels he should be allowed to continue?

Mr. Martin (Essex East): Mr. Speaker, I am now about to do that. On a bill like this where one is discussing a particular measure of social welfare, one is certainly not precluded from discussing social welfare measures generally. After the provocation I have had from the hon. member for Brome-Missisquoi (Mr. Grafftey) who has made a most provocative and I was going to say almost a merciless attack on the hon. member for Essex East, surely that hon. member has the right in discussing this measure to rise and defend himself against the Goliath from Brome-Missisquoi. That is exactly what I am seeking to do. The hon. member has said—

Mr. Speaker: The question I asked the hon. member was whether he did not feel he had done that sufficiently and should now return to the point which is before the house?

Mr. Martin (Essex East): If Your Honour is convinced that I have successfully dealt with the argument of the hon. member for Brome-Missisquoi, I would readily accede; but I can only conclude from some of the interventions of hon. gentlemen opposite that they are not fully convinced that I have completely demolished the hon. member's argument.

Mr. Speaker: I may say that I am satisfied.

Mr. Martin (Essex East): Your Honour has said that he is satisfied and I could want no more authoritative imprimatur of my views and of my answer than that. I thank Your Honour and ask the hon. member for Brome-Missisquoi to take serious note of the observations which Your Honour has just made.

Mr. Speaker, I believe that this house will recognize that the increase in the standards of living of the people of this country warrant support for this measure. There are, of course, difficulties, as the hon. gentleman who has just spoken has indicated, but this bill will set standards which certainly are not excessive in the light of the standards of living which have been achieved by the Canadian people as a whole. We would want to see that our standards were kept at a proper level, and because this is one way in which in this parliament and jurisdiction we can achieve that object, I unhesitatingly rise and support the principle of this bill.

Mr. Morris: I wonder if the hon. gentleman would consent to my asking two questions which are not antagonistic at all?

Mr. Martin (Essex East): I would be very happy, antagonistic or otherwise.

Mr. Morris: This bill before us includes a provision for the fixing of minimum wage rates by statute. The hon. gentleman was himself a minister and had a great deal to do, as he has reminded us, with various matters. My question is this: In his judgment is this a useful procedure? I have in mind that in all the provinces a minimum wage machinery is established rather than a fixed rate under statute, so that a legislative amendment of the fixed rate is not required; it can be fixed by a board. I ask the hon. gentleman whether he thinks this is a useful way to set minimum wages, namely by statute rather than by creating machinery which is adaptable to change?

Mr. Martin (Essex East): This, of course, does not mean that there cannot be further increases in the wage scale, but the use of the technique of legislative decision to establish minimum wages is not by any means a novel one. It exists in my own province with regard to particular groups, and if my hon. friend would read the report of the international labour office, I think for February, or at any rate for one month this year, he would find a review of minimum wage legislation in many countries. He will also find that this technique is one that is used, sometimes as the sole method of determining a minimum wage, and also in many jurisdictions as one of the supplementary methods. This does not preclude negotiation. It does not preclude the use of the processes of collective bargaining. It is one way in which we have in our limited sphere of jurisdiction the opportunity of indicating that we are not anxious to see the standards of living of our people reduced beyond certain minimum levels.

Mr. Morris: May I now be permitted a second question?

[Mr. Martin (Essex East).]

Mr. Speaker: Order. I see the hon. member for St. Boniface (Mr. Regnier) is anxious to speak and I do not think I should prevent him exercising the right which was his when the hon. member for Essex East sat down.

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, I, also, am pleased to support this bill although I think it is too limited in its scope and does not go far enough. I was expecting a great deal of light from the hon. member for Essex East (Mr. Martin) when he rose to speak on this measure, but instead of speaking about the principle of the bill or the bill itself he tried to show how good his party had been to labour generally. However, in 22 years in office they did not find time or show industry enough to get legislation of this kind on the statute books of Canada.

Mr. Pickersgill: Would the hon. member permit a question? Does he not remember those eloquent speeches he used to make about the attitude of the party to labour when he was a member of the Liberal party not so long ago?

Mr. Regnier: It could not very well have been on matters found on the statute books of Canada, because I have searched for a minimum wage act and could not find one. There may be some welfare legislation, but there is no labour legislation—

Some hon. Members: Oh.

Mr. Regnier: —unless we include the attempt made by Mr. R. B. Bennett in 1935 which was brought before the supreme court and the privy council, as was pointed out by the hon. member for Vancouver-Kingsway (Mr. Browne). I think the hon. member for Vancouver-Kingsway produced some very telling arguments with regard to this bill, as did the hon. member for Brome-Missiquoi (Mr. Grafftey), but the hon. member for Essex East only talked in general terms to put on a good front for his party, and submitted very little argument. As a matter of fact, I do not know whether he read the bill at all, because the explanatory note speaks about a minimum wage rate of $1.25 an hour, although the bill itself, in clause four, sub-clause one, reads as follows:

> Every full-time employee shall be paid by his employer in respect of the time such employee is required or permitted by his employer to work, or to be at his disposal, wages which are not less than wages calculated at the rate of $1 per hour.

So the bill itself calls not for $1.25 an hour but for $1 an hour. I do not think the explanation of a bill can go contrary to the terms of the bill itself, and I had expected the hon. member for Essex East to explain that part of it.

Mr. Martin (Essex East): We are anxious to have a vote. That is why I did not take too long.

Mr. Regnier: As I said before, I think the bill is too limited in its scope. Coming from the province of Manitoba, I notice that our minimum wage act has been replaced by the employment standard act which deals with general employment standards, minimum wages, conditions of work, definition of general holidays, notice of termination of employment, the safety of employees and hours and conditions of work in factories. It does not prescribe one set minimum for the province but is administered under regulations which can be made in accordance with the needs of particular localities or the needs in one industry as opposed to another. As the hon. member for Halifax (Mr. Morris) has pointed out, the best way of drafting such a measure as this is not by fixing a minimum in the bill but by setting up machinery to devise reasonable regulations which could be changed from time to time without having to amend the act from year to year.

Mr. Pickersgill: Would the hon. gentleman tell the committee the date on which that statute was enacted?

Mr. Regnier: It was enacted in 1957. It is chapter 20, and it reads: "An act respecting wages, hours of work and standards and conditions of employment for persons employed in industry and business.

Mr. Pickersgill: Does the hon. gentleman happen to remember the political complexion of the government in Manitoba when that was put on the statute books?

Mr. Regnier: It was in 1957. It was a government which sometimes called itself Liberal and sometimes called itself something else; it was a coalition government.

Mr. Pickersgill: Liberal Progressive.

Mr. Regnier: The leader of the Manitoba government never admitted it was a Liberal government. As a matter of fact, in 1957 he would not be seen with the federal leader of the Liberal party, and that was one of the reasons why the people of Manitoba did not support the federal Liberal party—because their own premier would not be seen with workers for the federal Liberal party.

Mr. Pickersgill: That statement is not correct, and the hon. member knows it perfectly well. And he is out of order.

Mr. Regnier: I am sorry if I was out of order—

Mr. Speaker: The hon. member for Niagara Falls is out of order in interrupting the speaker.

Mr. Regnier: I should like to say, before I conclude my remarks, that I agree in principle with this measure and feel it should be brought before a committee or discussed at a time when there is more than an hour in which to do so. I think that a full day's discussion would probably be necessary before the house could arrive at agreement on a bill which made sense.

May I call it six o'clock?

Mr. Speaker: I think that in fairness to the hon. member for Niagara Falls (Mr. Houck) who was not in the house, I should say that another member was in his seat; otherwise my remark might be taken as reflecting on him in some way.

The hour for consideration of public and private bills having expired, the house will revert to the business which was interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. Thomas in the chair.

DEPARTMENT OF TRANSPORT

It being six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Board of transport commissioners for Canada—

443. Administration, operation and maintenance, $1,112,773.

Mr. Hanbidge: Mr. Chairman, I have no desire to hold up the minister in getting his estimates through the committee, but there is a very urgent matter that I wish to bring to his attention and to lay at the foot of the throne. Some three months ago, when the farm delegation was down here the mayor of Wilkie, Mr. Nat Freidman, and the mayor of Unity, Mr. Jim Dickson—both of these towns are in the north end of the best constituency in the west, the Kindersley constituency—told me that a rumour was abroad saying that the Canadian Pacific railway proposed to discontinue its passenger service on the line between Winnipeg and Edmonton. This is the line that goes through Saskatoon and also through the north end of the Kindersley constituency. It was only a few weeks later that the rumour became a fact and an application was made by the Canadian Pacific railway to the board

of transport commissioners to permit them to discontinue the passenger service on that line.

Representations were made by the city of Saskatoon, by the town of Wilkie and others to the board of transport commissioners. If my good friend, the hon. member for the city of Saskatoon were here, I am quite sure that he would not let this item go through the committee without bringing this matter to the attention of the minister. In his absence, owing to the fact that he is on urgent public business outside the country—I believe across the Atlantic—I am going to refer briefly to the brief that was presented to the board of transport commissioners by the city of Saskatoon. This brief was prepared by Mr. S. L. Buckwold, mayor of the city of Saskatoon and Mr. C. T. Hazen, president of the Saskatoon board of trade. It is dated April 20 last. The first paragraph reads:

The Saskatoon city council and the Saskatoon board of trade note with concern that the Canadian Pacific railway has made application to the board of transport commissioners for permission to remove trains 41 and 42, presently providing passenger service between Winnipeg and Edmonton via Saskatoon. After due consideration the city and board of trade have gone on record as strongly opposed to the granting of this application.

I am not going to read the whole brief. One of the grounds referred to in it is that the discontinuance of that passenger service will affect the people living in many communities along the Canadian Pacific railway line as no other passenger service is available.

Reference is made to the reasons advanced by the Canadian Pacific railway for discontinuing the service, and then the brief goes on:

Important also in the elimination of the passenger service is the loss to be suffered by the people who have invested in the communities now being served by the C.P.R. Many of the people in these communities have invested their life savings in buildings and businesses and if through the cancellation of the passenger service the communities suffer loss of population, as they undoubtedly will, those remaining will have to bear heavier financial burdens to continue and maintain essential community services.

It is significant that the C.P.R. has not experimented with any substitute form of passenger service. It is proposing at one stroke to cancel a service extending over a distance of approximately 1,000 miles that has been in effect for 50 years.

Then, they go on to say:

Now the C.P.R. proposes to cancel what amounts to its only main line passenger service in northern Saskatchewan. Actually if the application were granted Saskatoon and northern Saskatchewan would be devoid of all C.P.R. passenger service.

The brief continues:

All organizations providing service for the public cannot expect to make a profit in all of their departments all of the time. Railways are no different in this respect from other businesses, where frequently goods or services are offered at a loss in order to attract patronage for other goods and services. This is notably true in the case of public utilities.

The brief concludes with these words:

Saskatoon city council and the board of trade earnestly request that you refuse permission to the C.P.R. to cancel its Winnipeg-Saskatoon-Edmonton passenger service.

So much for the Saskatoon brief; I have here also a letter from Mr. E. W. Edmundson, the assistant local chairman of the brotherhood of railroad trainmen. The letter is addressed to me and is dated April 24, 1959. Among other things he says this:

This is causing a great deal of concern in this area as it would mean—

That is, the application to discontinue the passenger service. I continue:

—there would be no passenger service of any kind on this Winnipeg-Edmonton line and it would have a very detrimental effect on all towns on the line.

Later in the letter he says this:

From Winnipeg to Edmonton and return there will be a total of 27 brotherhood of railway trainmen affected by such a move. In this area it could affect nine men who have established homes at Wilkie.

The C.P.R. has offered no alternative service whatsoever save to say that there would be improved freight service. The elimination of this train would mean that there would be no passenger service out of Wilkie whatsoever.

In addition to that letter, I received a copy of the brief that was sent to the board of transport commissioners by the town of Wilkie. This brief was prepared by Mr. Walter O. Smyth, Q.C., town solicitor. It is dated April 28, 1959 and it reads in part as follows:

The town of Wilkie and its chamber of commerce oppose the application made by the Canadian Pacific Railway Company.

Our stand is supported by the rural municipalities of Buffalo No. 409, Reford No. 379, and Tramping Lake No. 380 as well as the neighbouring villages and hamlets of Revenue, Tramping Lake, Leipzig, Handel, Cloan, Thackeray, Phippen, Adanac, Wolfe and Traynor, all of which would be adversely affected if the application were granted.

Further on in the brief they suggest that the real reason for the loss of business by the C.P.R. on this line is poor service. The brief concludes with these words:

Finally, we would draw the attention of the board to the fact that the company set out townsites along its line and sold lots to prospective settlers on at least an implied promise that railway service would be supplied. Now the company is in effect attempting to transfer its loss to the residents of these areas, because elimination of trains would reduce the capital value of property in the communities now served.

We have no copy of the agreement between the Canadian Pacific Railway Company and the dominion government, but are advised that it is a term of that agreement that the company would build a line from Winnipeg to Edmonton and maintain

service thereon as a condition of obtaining land grants from the dominion government. If such is the case, it would seem to us that on this ground alone the application should be refused.

I am not personally acquainted with Mr. N. R. Crump, the president of the Canadian Pacific railway, but from all I hear he is a great Canadian, a great railroad man and, I believe, is the peer of any of those who preceded him in the office of president of the C.P.R. I have no doubt that while I am only a silent partner in his great organization—I think all that I own in the C.P.R. would probably cover the cost of a couple of rails and maybe a few ties—nevertheless as one of the silent partners I would urge him to continue the service on that line. I hope that the Minister of Transport will use some of the eloquence and persuasiveness—and he convinced me yesterday that he is both eloquent and persuasive—to persuade the C.P.R. to continue that service. I want to assure him right now that there are thousands of people in the north end of the constituency of Kindersley who will rise up and call his name blessed if he keeps that line open.

Mr. Hees: Mr. Chairman, trains No. 41 and 42 are the ones that the hon. member has been referring to. The application is now under investigation by the board's inspectors and I am advised that it will likely come to hearing in September. I shall be very glad to bring the representations of the hon. member to the attention of Mr. Crump.

Mr. Hanbidge: Thank you.

Mr. Chevrier: I was also tempted to interrupt when the hon. member mentioned trains 41 and 42 and ask him if they were on time. Here are two very substantial items having to do with the grade crossing fund and also the additional amount which has been voted now for at least two years. As the house knows, we had a very complete discussion last session of the railway grade crossing fund and the amount voted for the additional projects that the board of transport commissioners as well as the government have approved. In order not to delay the committee unduly I wonder whether the minister would report on the position of the grade crossing fund and the amounts that have been spent. I think that would serve my purpose.

Mr. Hees: The amount in the fund at April 1, 1959 was $25,059,606. This amount includes $2,500,000 of the $15 million for the fiscal year 1959-60. Outstanding commitments up to March 31, 1959 were $21,379,116. The balance available in the fund at April 1, 1959 was $3,680,490.

Mr. Peters: Has this item anything to do with the painting of box cars as a safety factor? I have not seen any box cars so far that have been painted and I am wondering how many have been done and what is the extent of the project.

Mr. Hees: The judgment directing the railways to carry this out was issued two months ago and there really has not been time to put it into operation yet but I am sure it will be soon.

Mr. Peters: I should like to point out that there is some urgency involved. Two or three weeks ago a car with a number of young people in it ran into the side of a freight train in my constituency and they were all very badly injured. The train was very long and they came up to the level crossing and did not see it. I should like to see this work proceeded with as quickly as possible because quite a number of such accidents are taking place, many of them fatal. I think this move would be of help in avoiding some of these accidents.

Mr. Hees: We are urging the railways to get on with the work as quickly as possible and we will keep right after them.

Mr. Peters: I understand there is some problem with respect to United States railway box cars. As a large number of United States box cars are hauled by Canadian railways, there is a question of what the result will be if the Canadian railways do it and the United States railways do not. I understood there was some discussion with relation to the use of United States box cars that might not be so protected.

Mr. Hees: As the hon. member probably knows, the railways objected to this but the board has ordered them to go ahead and paint these signs on all new cars and an equal number of old cars.

Mr. Winch: I understand that an order has been issued that all box cars produced and used in Canada must have these reflectors on them but has Canada any authority to demand that all United States box cars coming into Canada shall be equipped in the same manner?

Mr. Hees: All new box cars are having these reflectors put on them and all old box cars as they come into the shops.

Mr. Winch: I am sorry, the minister did not understand.

Mr. Hees: No, we do not have authority over United States cars coming into the country.

Mr. Herridge: That is an interesting point. Do you mean to tell me that the government

of Canada cannot issue instructions that no foreign box car shall come on Canadian soil unless it complies with Canadian law, provided our act is amended?

Mr. Hees: I am advised we have no authority to do that.

Mr. Herridge: Well, we are not a sovereign state any longer.

Mr. Winch: In view of the fact that this order has been introduced for the safety of Canadian citizens, may I ask whether any approach has been or is being made to the United States railway companies to ask that a similar policy be followed there with respect to cars coming into Canada? Has any approach been made?

Mr. Hees: I am advised this would require legislation by the United States and that a number of bills have been introduced in congress in the past and none of them has passed yet.

Mr. Herridge: We have the authority to pass any legislation we wish in this chamber. If we amended the act would that not be sufficient to cause United States cars coming into Canada to be equipped in compliance with the law?

Mr. Hees: The main objection would be that this would completely interrupt trans-border trade. It would be very detrimental to trade across the border.

Mr. Winch: I understand the explanation of the minister but in view of the fact that it is now mandatory with respect to all Canadian box cars will the minister endeavour to have the Department of External Affairs make it known that this is now the law in Canada and ask whether it is possible for United States box cars to be so equipped so that they will comply with our Canadian law?

Mr. Hees: Yes, we will do that.

Item agreed to.

Canadian maritime commission—

445. Administration, $153,488.

Mr. Chevrier: May I ask the minister what is the present state of the Canadian ocean going fleet? I should like to know how many vessels were under the Canadian flag a year ago and how many are under the Canadian flag now.

Mr. Hees: I have that and I also have other information. As of March 31, 1958 ocean going ships in foreign trade numbered 17; as of March 31, 1959 the number was 13. As of March 31, 1958 ships in the coasting trade numbered 60 and as of the same date this year they numbered 61. Lakers and St. Lawrence canalers numbered 193 in 1958 and the same number this year. Upper lakers numbered 78 last year and 80 this year. To summarize, total ships as of March 31, 1958 numbered 348 and as of March 31, 1959, 347. I will also give ships under United Kingdom registry. As of March 31, 1958 there were 66 and on the same date this year there were the same number.

Mr. Chevrier: These are Canadian ships under United Kingdom registry.

Mr. Hees: Yes, Canadian owned ships.

Mr. Chevrier: May I ask what action, if any, the minister or the government have taken in the last year to stem the decline of the Canadian merchant fleet?

Mr. Hees: Mr. Chairman, we have been no more able to stem the decline of the Canadian merchant fleet than was the former government. I have some figures here that I know will interest the hon. member and the committee. The total number of deep sea ships under Canadian registry in 1946 was 151. By 1956, when the former government was still in office, this number had shrunk to 26 and as of March 31 of this year, the number was 13. I think the hon. member and the committee will realize that this is a continuing process and that it appears no government is able to do very much about it.

Mr. Chevrier: The minister did not answer my question. I simply asked the minister what action the government has taken to stem the reduction. If he wants to make a comparison, he said himself that there were 151 in 1946 and this number had declined to 26. Now, this number has been cut in half. My question, which the minister did not answer when he said that no more was done than before, is, what has been done by the present administration to stem the decline of the Canadian merchant fleet?

Mr. Hees: Mr. Chairman, the decline has largely taken place as a result of the sale of old ships. There has been some replacement, but not very much.

Mr. Chevrier: Has the decline resulted from the sale of the Canadian National ships?

Mr. Hees: As the hon. member knows, being pretty good at arithmetic, the eight ships—

Mr. Chevrier: I am not nearly as good as the minister is.

Mr. Hees: The hon. member is pretty good; he knows quite well that there were eight Canadian National West Indies Steamships ships sold and therefore, of course, they would not be listed amongst the thirteen.

Mr. Chevrier: Has the minister or the government given any consideration to giving Canadians engaged in this field of enterprise any tax reductions such as was done by the introduction of legislation for depreciation two years ago, I believe?

Mr. Hees: Yes, that is under study at the present time and one branch of the industry is going to submit detailed proposals in the very near future.

Mr. Chevrier: There is another matter which I should like to bring to the minister's attention, and it is this: A large part of the present Canadian ocean-going fleet consists of vessels built during the war which are no longer competitive with vessels from other countries. For instance, this can be seen already with the opening of the seaway where many owners of Canadian vessels feel that they are going to have difficulty in competing with ships coming from countries where the cost of constructing a ship is about 50 per cent lower than in Canada and the cost of operating a ship about 40 per cent less than in this country. I am wondering if any consideration has been given to assisting in offsetting the disappearance of these non-competitive vessels?

Mr. Hees: Yes, as the hon. member knows, the vessel construction assistance act was brought in some years ago and amended last year. It has been of considerable assistance.

Mr. Chevrier: Yes. Has the minister given further consideration to this question of a subsidy? I understand that at one time there was consideration given in the Department of Transport to subsidizing a small number of ships which would compete, that is subsidizing them from the point of view of capital expenditures as well as from the point of view of operation?

Mr. Hees: No, that type of subsidy is not under consideration.

Mr. Chevrier: May I ask a final question? I am sure the minister has in mind the statements made by the Minister of Public Works not so many years ago in which he said positively that the moment his friends got into office there would be a merchant vessel on the oceans of the world which would compete.

Mr. Hees: I somehow remember those speeches.

Mr. Pickersgill: There is one question I should like to ask the minister before this item carries. Has he yet found the budget for the Canadian National steamships for this year?

Mr. Hees: Yes, I found it buried down in Halifax harbour.

Item agreed to.

446. Steamship subventions for coastal services, as detailed in the estimates, $5,553,500.

Mr. Chevrier: I wish to bring a matter to the attention of the minister, and it is one which would have been brought up by the hon. member for Levis, had he been here. It has to do with a steamship subsidy which was paid by the maritime commission under the jurisdiction of the department for a service operating between Isle aux Grues and Montmagny. It seems to be a most unfortunate situation because a ferry operator who had been running this service for a period of 30 years, and who had been receiving a subsidy for the last 10 years of $3,300 for summer service, $1,700 for winter service, plus $1,000 per year from the postal department, now finds himself without the subsidy at all. In other words, from the information the hon. member for Levis has given me and which I now have before me, it looks as if the department simply cut this man off without giving him the slightest notice. This action was taken with regard to a man who had been operating the service for 30 years.

I should like to put on the record a paragraph from the file that was left with me by the hon. member for Levis:

(Translation):

For close to 30 years, Mr. Gagne has been carrying mail between the Ile aux Grues and Montmagny. Last year, he received $1,000 for this service. In addition to his postal duties, Mr. Gagne operated a freight and passenger water transport service between those two points. The service has been subsidized for nearly 10 years by the Canadian Maritime Commission on the following basis: $3,300 for the summer service, $1,700 for the winter service. It was this grant that enabled him to carry the mail for a price of $1,000 a year.

On March 2, Mr. Gagne received from the Canadian Maritime Commission, a letter,—of which I enclose a copy—informing him that his grant would not be renewed, on the grounds that a bigger ship was required for that service. Never before that letter had the commission asked Mr. Gagne to operate a larger ship.

(Text):

I have a letter in my possession which was written by the director of steamship subvention service in answer to a letter from the operator, Mr. Gagne, dated December 30 and sent to him on March 2, almost three months later, saying that his contract had been cancelled and that he was simply out of luck. It seems to me that if these circumstances are correct it was a most unfair way in which to deal with a man who had been operating this service for 30 years. What is more, it seems to me that the first thing that should have been done at least should have been to

offer to give this man an opportunity to perform the new service at the same or similar conditions which were available to other tenderers. Frankly, I feel, and the hon. member for Levis feels, very strongly about this. I think an injustice has been done to this man.

Mr. Hees: Mr. Chairman, the Mr. Gagne to whom the hon. member refers has been carrying on this service for a number of years with a small ship incapable of carrying automobiles or farm machinery. Early this year a Mr. Lavoie offered to undertake the service with a ship capable of carrying automobiles and tractors. On March 2 the maritime commission wrote to Mr. Gagne advising him of the situation and telling him that in view of the greater suitability of Mr. Lavoie's vessel his contract would not be renewed. This was two months before the commencement of the service. It is true that the delay was short. But the other offer had only been received recently and there was little time to examine it.

The commission has always tried to award these services locally when possible. In this case both the former contractor and the present contractor are from the area. On March 19, Mr. Gagne, the former contractor acknowledged the commission's letter, and although he expressed disappointment at the short notice and award of the contract to another, he made no mention of his ability to supply a larger vessel.

Mr. Chevrier: Why was he not given the opportunity to supply the ship, as it has been the practice of the maritime commission over a number of years?

Mr. Hees: If he had come forward with a ship of comparable size and performance with that of Mr. Lavoie undoubtedly he would have been given the contract. It was well known that he did not have such a ship, that he had only the one ship and was unable to perform the service. Therefore in the interests of the people who would be served by this ferry, the better and more capable ship was being used.

Mr. Chevrier: Why was he not given a chance to submit a tender on the newer ship?

Mr. Hees: This was no secret to his fellow islanders. They knew all about this. This matter was well known down there and was discussed by them.

Mr. Chevrier: Would the minister answer my question?

Mr. Hees: He had the opportunity. He knew two months before. If he had come forward with a comparable ship he certainly would have been given every opportunity to tender but he did not do so.

[Mr. Chevrier.]

Mr. Chevrier: Mr. Chairman, those are not the facts. The facts are that when the time arrived for the new service to be entered upon this man was not given an opportunity to tender. The circumstances and the facts are to that effect. The minister confirms that situation in his reply now because it has been the practice of the maritime commission, when a service like this is brought to an end to give to the former operator an opportunity of tendering on the new appliances.

Mr. Hees: As I have said, it was well known that this gentleman, Mr. Gagne, did not have a suitable ship. If he had had a suitable ship he would certainly have had every opportunity. When he was notified two months before the termination of the contract, if he had come forward and said, "I can produce a better type of ship that can perform the service that is needed by the residents of this area", he would then, of course, have been given every opportunity to tender. But he did not do so. It was well known by all concerned that he did not have a ship. I do not think the hon. member would wish the people of the area to put up with inferior service when a far better service is available to them.

Mr. Chevrier: The minister is just a little bit too suave in this case to be able to get around the circumstances. I can tell the minister exactly what happened. The point is that the new incumbent is a strong supporter of the minister's administration.

Mr. Ricard: What is wrong with that?

Mr. Chevrier: There is this the matter with it. The other man should have been given an opportunity to submit a tender, particularly when he had been operating the service for 30 years.

An hon. Member: It serves him right.

Mr. Chevrier: I hear that interruption which came from down at the other end of the chamber and which was to the effect that it served him right. If that is the kind of policy we are going to have from hon. gentlemen opposite—"it serves them right because they voted Liberal"—it is a good thing to know and a good thing to have on the record. I submit here that this policy is not the kind of policy that should be followed by any department or by any government. A man who has been providing a service such as this should at least have been given the opportunity to tender on the new requirements for the service. Furthermore I am told that the population on the island has decreased somewhat and that therefore it may be quite doubtful whether a larger ship was required. I think the minister owes this committee an explanation.

Mr. Hees: I can say this very clearly. Political considerations had no effect whatsoever and did not come into this matter in the slightest degree. This man was given a contract on one basis and one basis only, namely that he could provide a far better service for the same subsidy. It seems to me to be a little bit strange that not so long ago in relation to some debate hon. members opposite were protesting or suggesting the waste of government money. Here, with the same subsidy, we can get for the people of that area a far superior ferry service. But the hon. member is suggesting that for the same subsidy that this government pays we should put up with inferior service.

Mr. Chevrier: I did not suggest that.

Mr. Hees: That is exactly what you are suggesting.

Mr. Chevrier: I rise on a point of order, Mr. Chairman. I will not let the minister put those words in my mouth. I am not suggesting that at all. I am trying to get at the difficulty.

Mr. Hees: I have nothing to get at. There is no difficulty as far as I am concerned.

Mr. Chevrier: The point is this. You are talking about a new service.

An hon. Member: Address the Chair.

Mr. Chevrier: Why did you not give this man an opportunity to tender?

Mr. Hees: That man had every opportunity if he had had a sufficiently good ship to support his tender. He knew two months before the new operation started. He was not so shy or so backward as all that. If he had wanted to do so or felt that he had a ship that could perform the services required he could have written us and said, "I have a ship as good as that myself and for that subsidy I will provide as good a service", and of course he would have been given every opportunity. That is the way in which this government treats people; if they come forward with a reasonable proposition they are welcomed with open arms. What we are aiming at is to give the people in every constituency of Canada the very best value possible for their tax dollar and that is what we intend to do. We do not intend to force upon them an inferior service which perhaps had been done for quite some time by the former government because perhaps this man, Gagne, was a supporter of the former government.

Mr. Chevrier: You must have thought that he was fairly good because you carried him for two years after the former government left office. You must have thought his services were satisfactory. However, I want to draw to your attention the manner in which this contract was brought to an end. I should like to put on the record the letter which came from the director of subvention services. It is addressed to Mr. Gagne and is dated March 2, 1959, three months after the operator of this service had written to the director of subvention services. It reads as follows:

(Translation):

Dear Mr. Gagne,

I acknowledge your letter of February 21 concerning your application, dated December 30, 1958, for renewal of your subsidy contract.

I regret the delay that has occurred, but the commission has been conducting a general inquiry into representations it had received for the provision of a larger ship which would allow automobiles and self-propelled agricultural machinery to be transported to the island through the regular service at a reasonable cost, and would avoid the necessity of hiring a special ship for such purposes, at heavy expense.

The commission has reviewed all aspects of the matter and has decided that the . . .

(Text):

I cannot make out the name of the ship.

(Translation):

—is not suitable in the circumstances. I am therefore directed to inform you that your contract will not be renewed in 1959.

The contract has been awarded to Captain Eugene Lavoie, who operates the—

(Text):

Then again it is the name of the ship that I cannot make out. I think it is St. Jacques.

(Translation):

I regret this situation, which arises from the increasing number of machines and vehicles on the island, and from the necessity of providing for their transportation.

I therefore take this opportunity to thank you, on behalf of the commission, for your co-operation in the past years.

Yours sincerely, etc.,

(Text):

It is quite clearly set out here that the man had not the slighest opportunity to tender on these new services that the minister, now that his government is in office, wants to give to the people in the area. After all, it seems to me that the man who had been there for so long should at least have been given an opportunity. He was not given an opportunity because he was a Liberal.

Mr. Hees: That is not the case at all. If it was known that the man had a suitable ship he would have been given every opportunity. In communities like that everybody knows fairly well what everybody else has. It was well known that this man had one ship and not one of satisfactory size and capacity. If he had come forward and said, "I should like to have the privilege of tendering" he certainly would have been given it. We are simply carrying out in this instance our policy of

providing the best services for the people in every riding in Canada at the lowest cost to the taxpayer.

Mr. Herridge: Mr. Chairman, I would like to ask the minister a question which I think I should have asked on the previous item, but I know I will be at least 51 per cent or more in order because it is related to ships' equipment. The people of Canada, at least those who are used to using our waters, are very interested in the design of a satisfactory lifesaving vest for use on small craft. I understand the minister called a conference in connection with this matter last year, and I wonder if he could report to the house what progress has been made by his department with respect to designing a satisfactory lifesaving vest for use by people in small watercraft.

Mr. Hees: Yes, Mr. Chairman. We have had several meetings with the manufacturers and users. Improved designs have been submitted and are being examined at the present time, and we consider that satisfactory progress is being made toward this very desirable end.

Mr. Fisher: Mr. Chairman, I am intrigued by this peculiar approach that the Department of Transport has down in this locale where everybody knows everybody else. It seems to me that is a most peculiar basis for operating or changing any services. I know how distinguished these services are because the minister has reiterated a number of times that they give the best possible service at the lowest possible cost, and everybody knows everybody else. What is this principle of everybody knowing everybody else? Can the minister explain how large a community would get before you decide that everybody does not know everybody else and that maybe you could have a bid or a tender, or maybe a public announcement inviting tenders. I would like to know whether Port Arthur and Fort William are the sort of communities where everybody knows everybody else. How does the minister manage to appoint somebody up there who happens to be a brother-in-law of a local Conservative politician?

Mr. Hees: Mr. Chairman, to start off with, everybody is somebody or other's brother-in-law, and the fortunate ones have Conservatives as brothers-in-law. That shows they have good judgment and have married into the right kind of family. As to the size of communities where everybody knows everybody else, I would not think for a moment that in Fort William or Port Arthur people would, because they are very big, important and imposing cities and people do not know everybody else. That is the case in large and important cities such as those. But I had the privilege last fall of visiting Isle aux Grues and I visited a great many families there and found them extremely charming and delightful, and I can assure the hon. member that in a friendly community like Isle aux Grues everybody knows everybody else and they are very informed on matters of this kind.

Mr. McQuillan: Mr. Chairman, under the details of this item for steamship services on the west coast, the western local services, one of them is Vancouver and northern British Columbia ports, in the amount of $194,500, and the other is the Vancouver and west coast of Vancouver island service, $100,000. I wonder if the minister can tell me what companies are involved in these subsidies, what ships they provide for the service and the ports of call that they must make?

Mr. Hees: The company is the Northland Navigation Company and the ships are the *Canadian Prince* and the *Tahsis Prince.*

Mr. McQuillan: Which ship, Mr. Chairman, operates on the west coast of Vancouver island?

Mr. Hees: The *Tahsis Prince.*

Mr. McQuillan: I take it that is a new ship which has gone on that run?

Mr. Hees: Yes, that is correct.

Mr. McQuillan: I would like to make a suggestion, although I rather hesitate to do it, about the comparison between the British Columbia coast and the Atlantic coast and the amount of the subventions, because I think there is perhaps the possibility of saving a little money on the Pacific coast. I would like to ask the minister if he has ever given any consideration to initiating a service on the west coast to the island from Port Alberni? I believe it could be done and would give a much more frequent and better service for less money.

Mr. Hees: I am told this has been considered, Mr. Chairman, but it was considered impractical because nearly all the freight originates in Vancouver.

Mr. McQuillan: Mr. Chairman, that is hardly an answer. I happen to know that part of the country very well. Perhaps a great deal of it does originate in Vancouver, but it comes to Port Alberni and is transferred to ships already going down to the other end of Barkley sound so there would be no difficulty in transferring freight into ships going to Nootka and Kyuquot. I hope the minister will also take that out of his serious consideration basket and put it in his urgent basket.

Mr. Hees: Yes, I shall be glad to.

Mr. Stewart: Mr. Chairman, I would like to again bring to the attention of the minister the need of the people of Grand Manan for increased transportation facilities. I realize that is not the direct responsibility of the minister's department, but included in this item is an amount of $95,000 which is a subsidy paid annually to the Grand Manan ferry. Grand Manan is an island in the bay of Fundy, having a population of about 2,600 people, and I would like to put on record part of the brief submitted by the people of Grand Manan and the board of trade to the provincial government:

> As expressed in the text of this petition, the present service when inaugurated in 1946 was at the time classified as a service of temporary nature, subject to improvement when a more suitable vessel could be obtained, and this information would be on file in Ottawa.
>
> When the previous transportation system was set up in 1930 it consisted of a newly built ferry especially constructed to meet the requirements of this particular service, in which there was accommodation for 12 automobiles carried underdeck, a freight compartment adequate to service this area, and comfortable passenger accommodations for slightly over one hundred people.
>
> During the years 1930 and 1939 the tourist traffic to Grand Manan showed yearly increase, there was an increase in the number of inns catering to this trade, and expansion programs were undertaken by the already established hostelries.

This ferry service was taken over in 1939 and a converted private yacht put on in 1946. This yacht can only handle nine passenger cars and these are put on with a derrick and must remain on deck. There is a most inadequate freight service and the accommodation is limited to about 20 people. Now the island of Grand Manan, as members of this committee know, is essentially a fish producing area, but in order to ship the fish to the mainland and maintain supplies it must have adequate contact with the mainland by ferry. It is the wish of the people of the island that they be provided with a ferry capable of handling below deck 30 cars and having a reasonable accommodation for passengers. I suggest to the minister that he and the officials of his department should take another look at this question to see whether the subsidy paid by the federal treasury cannot be utilized to supply the people of this island with an adequate ferry service to keep them in contact with the province of New Brunswick.

Mr. Hees: Yes, Mr. Chairman.

Item agreed to.

447. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1959 on any or all of the following accounts:

Reconstruction and capital expenditures—	
Halifax	$ 933,500
Saint John	830,000
Chicoutimi	150,000
Quebec	2,770,000
Prescott	325,000
Churchill	25,000
Generally—Unforeseen and miscellaneous	200,000
	$5,233,500
Less—amount to be expended from replacement and other funds,	938,386
Total	4,295,114.

Mr. Winch: On this item, which I think is a very important item because it deals with the national harbours board, I wish to make one suggestion in particular to the minister, and though this board is, of course, of importance right across Canada, I wish to speak only of its operations as they affect a certain area in British Columbia.

I am sure that all hon. members from the lower mainland of British Columbia, irrespective of party, are keenly interested in and perhaps a little worried about the situation regarding the development on the Fraser river. To the best of my knowledge there are now in the Fraser river area two harbour commissions. We have a harbour commission in New Westminster and we have a harbour commission on the north Fraser.

The Fraser river has played a most important and integral part in the economy of British Columbia. The lower mainland has developed at a very rapid rate, and because of that I personally believe that we have now reached a point when a new look should be taken at the development of the Fraser river and an endeavour made to bring in not only the city of New Westminster but all the adjoining municipalities which have a vital interest in that area. I know from my own studies in the past that the harbour board in New Westminster has had a fairly free hand, but New Westminster as such is now pretty well developed with regard to harbour facilities, and with the growth on the Fraser river of the adjoining municipalities I would dare to guess that inside a very few years the adjoining municipalities will equal, if not surpass, the city of New Westminster in population. But up till now there has been very little interest, if any, in development on the other side of the river and in the upstream and downstream areas.

I know from my personal knowledge that a few years ago this was recognized by the harbour commission in New Westminster, and the commission endeavoured to work out a plan whereby they would have control. That plan failed. The result is that at the present

time an endeavour is being made, perhaps without the knowledge of the minister, to tie in the north Fraser harbour commission with the commission in New Westminster. Who instigated this move, I do not know. I have received a great number of letters protesting any such idea. I do know from my own personal discussions with the Minister of Transport that he himself is not a party to this proposal. However, I would draw the attention of the Minister of Transport to the fact that this matter of harbour commissions on the Fraser river is one which I understand includes the activities of his own department, the Department of Agriculture, the Department of Fisheries, the Department of Public Works and, I believe, one or two others. Honestly, I am afraid there has not been co-ordination and co-operation between the various departments of government relative to the development of the Fraser river as far as it is concerned as a navigable river up to a certain point and also involving the question of agriculture and of fisheries.

The Fraser river is, as I have said, a most important economic factor in the life of British Columbia, especially on the lower mainland where almost half of the population of British Columbia is concentrated. I firmly believe the time has come when there must be major planning to deal with the problems of the Fraser river and a co-ordinated effort by all the departments of government concerned. The Minister of Transport has, I believe, the major responsibility because the matter comes under his estimates. I should like to ask the minister if he will say whether there is any realization in his department and in the various departments themselves that the time has come to establish a Fraser river control board or commission so as to bring in all the rapidly growing municipalities, such as Burnaby, Port Coquitlam, Port Moody and the others up the river. I am certain that I am not breaking any confidence when I say that I discussed one angle with the minister relative to what is now the understanding by a great many people and organizations on the lower mainland that there is a drive to have the north Fraser harbour commission swallowed up by amalgamation with New Westminster.

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

Mr. Winch: Would the hon. member mind if I finished and then I shall be glad to answer his question.

Mr. Drysdale: It is right on the particular point he is now making. The hon. member keeps referring to this proposed amalgamation. I was wondering whether he could inform us as to what is the basis of his information?

Mr. Winch: Yes, Mr. Chairman, I will be glad to. The basis of my information is the minutes of a recent meeting of the Burnaby council where the matter was discussed. The basis of my information is the number of letters that I have received from tugboat operators and other commercial firms operating on the north arm of the Fraser river. The basis of my statement is the statement made on June 5 in this House of Commons by the house leader, which is to be found at page 4386 of *Hansard,* in which the house leader said:

> The hon. member for Burnaby-Coquitlam advocated the establishment of a Fraser river authority to supervise the development of that great river. An attempt is being made to further the co-operation of the different bodies involved with the river but at the moment there is no plan for an overriding authority. That may come eventually but there would be many difficulties to be ironed out before a movement of that kind could be made.

I say in answer to the question of my colleague from British Columbia that on the basis of my information from municipal councils in the lower mainland, my information from the statement of the house leader in the House of Commons and the letters I have received from such men as Captain Lowrey of the Bridge Towing Limited in British Columbia, and others, this matter very definitely is either under consideration or is rumoured as such.

I bring these matters to the attention of the minister not so much because of the possible abolition of the north Fraser harbour commission, though I would hate to see that at the present moment, but to ask the Minister of Transport whether he would do one of two things. Because of the fact so many departments are concerned—I understand that his own department, the Department of Public Works, the Department of Agriculture and the Department of Fisheries are concerned—can he say here, not so much for himself but for those who are so vitally interested in the lower mainland of British Columbia, and particularly those on the Fraser river—my own riding boundaries are about two miles from the Fraser river but I have a keen interest—can he give us a picture under this item as to what is the position as regards the north Fraser commission and its relationship to any possible amalgamation. As a matter of fact, I would forgive the minister if he did not answer those questions provided he would give us a picture on the development of the entire Fraser river and a possible tie-in with the proposed establishment of a new board under a new system but still on the same

basis of a harbour commission under which all cities and municipalities and all those interested, namely agriculture, fishing, tugboats and shipping, could have what is now a basic requirement, namely an over-all Fraser river control board. I cannot think of any other term to use but to use a Fraser river control board. Under this, they could have the most efficient development, the most efficient operation from the mouth of the Fraser river up to the end of navigable waters.

Mr. Hees: Approaches were made to my department with those ideas in mind some time ago. We looked over the whole situation but we are not going ahead with any plans to carry this amalgamation that the hon. member mentioned into effect, and will not do so unless we are approached by the municipalities and the people concerned who express to us a real and considered desire that this should be done. If such a broad board of authority is suggested to us we will be very glad to discuss it with the people who would bring such an idea forward.

Mr. Winch: May I ask a supplementary question? Did I gather from what the minister said that, as far as his knowledge goes as minister in charge of the harbour commissions, there is no suggestion by himself or his department of an amalgamation of the north Fraser river, nor any wiping out of the present board; but if there is any need or request for a Fraser river control board it must come to him as a request from the municipalities concerned?

Mr. Hees: That is correct.

Mr. Winch: On both questions?

Mr. Hees: That is correct on both questions.

Mr. McLennan: Mr. Chairman, in the first place I think the hon. member for Vancouver East is maybe a year or a year and a half behind the times. In the second place—

Mr. Winch: I am sorry; one of our members made the suggestion two years ago.

Mr. McLennan: That is fine, two years ago. Right now you are a year and a half behind the times. In the second place, if the hon. member does not know any more about his own riding than he does about New Westminster I do not think he knows too much about it. He said that the boundaries of his constituency were two miles from the river. Those are the shortest two miles I have ever known in my life.

In the fourth place, there is another municipality bordering the river on the south side of the river, which is considerably larger than the city of New Westminster, and that is the municipality of Surrey.

Mr. Winch: I said that.

Mr. McLennan: The hon. member said "nearly as large". It is much larger than the city of New Westminster. I do not think for one minute that the city of New Westminster wants to control the Fraser river. We have the New Westminster harbour board. What the people in that valley want is progress. They want a Fraser river authority or a Fraser river harbours board; they are not interested in taking over the north Fraser harbour board. It is a different deal altogether.

Mr. Winch: Did the hon. member say "the Fraser river authority?"

Mr. McLennan: It is a different deal altogether, taking under control the whole navigable system of the Fraser river. The north arm is not navigable for deep sea ships and is mainly used for log storage and log towing. As far as the harbours board is concerned, or the Fraser river authority—whatever you want to call it—they are not interested. If the hon. member would stay on Burrard inlet and stay out of the Fraser river you would be a lot farther ahead.

Mr. Broome: I should like to say a few words on the national harbours board as its operations affect the harbour of Vancouver. I have been looking at the 1958 report and I notice that over the last five years receipts and shipments of grain at the port of Vancouver were 1,170 million bushels compared with 1,119 million bushels in the case of Montreal. Montreal, however, has storage capacity about 77 per cent in excess of that of Vancouver and other facilities to a much greater degree. If we look at the figures for 1958 and 1957 we see that in 1958 receipts and shipments at Montreal amounted to 249 million bushels while the figure for Vancouver was 275 million bushels. In 1957 the figures were 172 million bushels for Montreal and 282 million bushels for Vancouver.

Capital expenditures over the last year were $6 million in Vancouver and $17 million in Montreal. I understand from newspaper reports that there will be very heavy capital expenditures for the port of Montreal in the next year or so. I should like to suggest to the national harbours board that they should make a survey of the port of Vancouver to see whether the facilities are adequate to take care properly of the traffic passing through that port at the present time. I think there is need for an over-all look at what they have there because right now I think there should be in the planning stage a major expansion program with regard to facilities.

I should like them to consider an access road all around the harbour which would be

of advantage for fire fighting if we had a major blaze in the harbour area. At the present time you cannot get to half of the sheds because they are cut off by railway tracks that parallel the harbour. I think the port of Vancouver has been neglected to a certain degree and that the national harbours board, which after all has been consistently netting at least $1 million and sometimes far more each year from the operation of the harbour, should take a good look at what the future program is to be in order to bring the facilities up to a level more or less equivalent to the facilities in Montreal.

Mr. Bell (Saint John-Albert): Mr. Chairman, may I ask one question so that the attention will not all be on Vancouver?

Mr. Drysdale: It is the best port in the country.

Mr. Bell (Saint John-Albert): May I ask the minister how the survey into silting and mud in Saint John harbour, conducted in co-operation with the Department of Public Works and completed a short while ago, is coming along? We are looking forward to the results.

Mr. Hees: A report is being prepared but it has not been received yet.

Mr. Payne: Before the vote carries I want to say a brief word or two. I do not do so with any intention of embarrassing the hon. member for Vancouver South but on behalf of the people of my constituency, which circles the north shore of Burrard inlet, I want to express very sincere thanks to the chairman and vice-chairman for their excellent work and the co-operation they have shown throughout the year. I want to thank the minister for the splendid announcement which I am sure will meet the situation that is concerning the hon. member for Vancouver South and all other members from the lower mainland. In passing I should like to say to that righteous cavalier, the hon. member for Laurier, who appears before the house so gallantly as a Galahad these days, that at times I wish he were sitting over there and I was sitting where he is because I would dearly love to have him justify the neglect and careless action with regard to this great national port during the years of his stewardship.

Mr. Chevrier: Mr. Chairman, I do not rise to reply to the hon. member who has just spoken. I do not know to what years he was referring. I am sure he could not have been referring to the nine years I was over there because during that time the port of Vancouver certainly was not neglected. The minister made a statement in the house the other day dealing with the port development at Montreal and he announced the appointment of an interdepartmental committee to deal with harbour improvements in that port. Would the minister give the names of the members of the committee and the terms of reference?

Mr. Hees: We do not normally give the names of individuals in cases like this but the departments concerned on the committee are the harbours board, the Department of Transport, the St. Lawrence seaway authority and Canadian National Railways. There are representatives of these bodies.

Mr. Chevrier: Could I have the terms of reference, please?

Mr. Hees: The terms of reference simply are to report on the future development of the port.

Mr. Chevrier: Is there no further information that the minister can give the committee? I think the committee is entitled to this information.

Mr. Hees: They have simply been asked to study this matter and make a report and the report has not been made yet.

Mr. Chevrier: I am going to send over to the minister an article from the Montreal *Star* written by James Oastler. It gives the name of the chairman, the terms of reference, the work there is to be done and what they anticipate doing. I am sure he did not concoct the whole thing. I am not going to press the matter unduly but it seems to me in a matter of this importance the details should be given to the house first before they are given to the press. The details in the statement are so numerous and of such a nature that they appear to me to be pretty close to the facts, and I have some knowledge of what is happening.

Mr. Hees: I just do not happen to have the terms of reference of that particular committee here. I gave the general term of reference, the general purpose of the committee and what they are intending to do. I think that is what the hon. member is interested in. I gave him the departments concerned.

Mr. Chevrier: I think the committee should have had it before the press.

Mr. Hees: I am told that the chairman is Mr. Paul Kuhring, former head of the Department of Transport ship channel branch, and there are representatives from the other departments.

Mr. Chevrier: I am not going to press it.

Mr. Hees: There is nothing to be hidden here.

Mr. Chevrier: I am not suggesting there is. I am suggesting that here is an article containing the kind of information which should have been given to the house first.

Mr. Hees: The hon. member says it should have been given to the house. I did not give it to the press. I had no knowledge of it being given to the press. I do not know whether the press got it from somebody in the C.N.R., the harbours board or the St. Lawrence seaway authority.

Mr. Chevrier: Will the minister do me the courtesy of reading it?

Mr. Hees: Yes, I will be very glad to.

Mr. Chevrier: Will the minister do me the courtesy of reading it and then let him compare what is contained in that article with the statement he made in answer to the question by the hon. member for St. Lawrence-St. George the other day?

Mr. Hees: Yes, I will be very glad to.

Mr. Drysdale: Mr. Chairman, we have been discussing the north Fraser harbour commission and the New Westminster harbour board and I do not feel I can let this item go by with the implication that those more immediately concerned in this particular area have been ignoring the situation. I point out that the hon. member for Vancouver-Kingsway, the hon. member for Vancouver South and the hon member for New Westminster, within whose ridings the New Westminster harbour board and the north Fraser harbour commission operate, have been well aware of the problem and are right on top of the situation.

Mr. Fisher: What about air passes?

Mr. Drysdale: I appreciate very much the fact that constituency matters do not occupy the hon. member for Vancouver East on a full-time basis, so he is able to take the time to come down into the Fraser river and tell us how to control things in our own particular constituencies.

Mr. Winch: If you don't raise them, I will.

Mr. Drysdale: I appreciate these extraneous remarks which are constantly injected into the debate. I just wish to put on the record the fact that the members who are more immediately concerned with these respective ridings have been spending far more time and effort, perhaps not in a verbal way but in a more practical way than the hon. member for Vancouver East, in trying to get something accomplished.

Mr. Winch: Leave it to me to raise the questions.

Mr. Peters: I do not know whether the matter I wish to raise comes under this particular item. We do not have a national harbours board, but we have a number of harbours that are under the jurisdiction of the Department of Transport. These harbours are on the upper Ottawa lake and the upper Ottawa river area. I should like to inquire if there is any regulation of this area for which the minister is responsible which would prohibit a company from allowing logs to float free? I should like to know also if the Upper Ottawa Improvement Company is subsidized by the department in the operations they carry on in both the Ottawa river and lake Timiskaming?

Mr. Hees: The answer to the second question is no. The answer to the first question is that the problem of logs as they may affect navigation is one which the Department of Public Works and ourselves are trying to solve at the present time. I am advised that there is a special meeting scheduled with one of the private companies at Sturgeon Falls this month to deal with this very matter.

Mr. Peters: As the minister is probably aware, in lake Temagami, for instance, where a similar situation exists it is necessary for the logging companies to have their logs off by June 15. In the past the sweep of lake Timiskaming has been very haphazard, and although we have intervened a number of times with the company we get very little response. There is never a complete sweep of the lake. Is there a regulation covering lake Temagami which provides that the logs must be off by June 15, and would that regulation apply to lake Timiskaming and the Ottawa river?

Mr. Hees: There are no regulations that can deal with this problem. It can only be solved by co-operation or by legislation. As I say, the Department of Public Works and ourselves are studying the matter at the present time.

Mr. Chevrier: May I ask the minister if the jurisdiction of the national harbours board will be extended to cover the south shore opposite Montreal?

Mr. Hees: That is one of the matters being considered by the committee which we mentioned a few minutes ago.

Item agreed to.

The Acting Chairman (Mr. MacEwan): Item 482?

Mr. Hees: May I ask, Mr. Chairman, if we could take item 486, which deals with the harbours board as well, and which will be

found under "Loans"? I should like to do this while the officials of the harbours board are still here.

The Acting Chairman (Mr. MacEwan): Shall item 486 carry?

Item agreed to.

Transport—

St. Lawrence seaway authority—

482. Loans to the St. Lawrence seaway authority in such manner and subject to such terms and conditions as the governor in council may approve, $30,000,000.

Mr. Campbell (Stormont): This item deals with the St. Lawrence seaway and is for loans to the St. Lawrence seaway authority in such manner and subject to such terms and conditions as the governor in council may approve. I believe that due to its misconception and faulty construction this seaway will be like a bottomless pit into which we can sink untold sums of money. I believe that this seaway is obsolete before it is opened. I believe it imperative that before any more money is spent those who constructed it should get full credit for it and assume full responsibility. I believe that there should be a full appreciation of the difficulties which this government will encounter in inheriting the seaway and in trying to make it work.

Since Her Majesty has graciously consented to open the seaway I hope there will be no misunderstanding of what I am saying. I wish to inform the house how eagerly we in Stormont are anticipating the visit to Cornwall of Her Majesty and His Royal Highness on June 27 and how grateful we are to the Prime Minister for his sympathetic understanding of my efforts to include our area in the royal itinerary. Although not a compensation, this is a very gratifying recognition of all the dislocation suffered by the people of this historic seaway valley. It is particularly appropriate as no part of Canada is more loyal and devoted to the crown. In fact, many Stormont people have the unique distinction of belonging to the only civilized races that have never lived under any government but a monarchy. My French Canadian friends escaped the horrors of the French revolution and every Scot is a royalist to the core, especially those whose fathers followed Her Majesty's Stuart ancestors.

From the shores of the St. Lawrence we can still gaze south to the blue haze of the Adirondacks through which winds the Mohawk river on which our great great grandparents turned their backs because they were steadfast to their Tory and loyalist beliefs.

Mr. Winch: That was well read.

[Mr. Hees.]

Mr. Campbell (Stormont): Whatever I, or anyone else, may say of the St. Lawrence seaway, I gladly proclaim that it is the most magnificent engineering feat of modern times. It is the greatest example today of co-operation between two countries which were formerly enemies. It is a symbol of Canada's growing industrial strength and it is, above all, the occasion which warrants the royal visit to our shores. But unfortunately we are so seduced by the idea of size in Canada that if a thing is big enough and costly enough it is unpatriotic or even sacrilegious to criticize it. I do not subscribe to this pagan heresy which is in the same category as Hitler's "big lie". The pyramids of Egypt were also a great engineering feat, but it is questionable whether the glorification of one man was worth all the labour and suffering involved in their construction.

The hundreds of millions of dollars squandered on the Arrow program was due to the megalomania of one man. Yet, think what this money would have done for Canada if it had been spent on the reduction of taxes or to increase old age pensions and family allowances. Think what this increased purchasing power would do to relieve unemployment. I wonder, Mr. Chairman, will the people of Canada have cause in the next 10 years to regard the St. Lawrence seaway as they now regard the Arrow. After the tumult and the shouting dies, after the captains and the Queen depart, I wonder will the whole of Canada awake as disillusioned as Cornwall with the whole seaway project.

In any realistic appraisal of the seaway there are certain basic factors that must be taken into account. The whole pattern of oceanic shipping is changing. The tramp steamer which was willing to pick up a miscellaneous cargo wherever it could be found is being superseded by the liner, either cargo or cargo-passenger, operating on regular schedule. Although a successful liner service is based on high grade traffic, it requires enough low grade bulky freight for ballast. To obtain this it can offer such attractive prices to the shipper that the tramp has difficulty in competing.

A second factor is that ships will have to operate between Montreal and the lake cities at about three-quarters of their normal rate of movement. In addition to the canal, there are about 67 miles of restricted channel in the St. Lawrence with the least width through the Thousand islands from lake Ontario to Chimney point being 500 feet, and about 150 miles of channel navigation from the head of navigation in lake Superior to the head of the St. Lawrence. The passage of each lock takes up to an hour and the river speed of, say 12 miles per hour, would

have to be reduced to about four miles per hour in the canals and about eight miles per hour in the improved channels. In other words, a ship would take over 12 days to make the round trip from Montreal to Duluth, which trip could be performed in 9 days of unrestricted navigation.

Finally, the practical navigation season for ocean vessels is limited to about 6½ months. I know that the average duration of open navigation is 227 days. The average period is roughly from April 26 to December 9. But this is quite different from the practical shipping season. Boats leaving Montreal for Duluth or Chicago would or must return by the earliest possible closing date at Montreal. It would take 18 days to 20 days to make the trip to Chicago, load, and return. With the date of closing of navigation at Montreal coming sometimes as early as November 25, the last departure could not be later than November 5 or 6. Even this would be cutting it so fine that the insurance rates would naturally be increased substantially. The season for boats going only as far as Detroit would, of course, be about one week longer. This is no problem for the great lake freighters because they can winter in the upper or lower lakes, if necessary.

The economics institute of the Brookings institute, which is supported by the Carnegie trusts, as long ago as 1929 asked most of the major shipping companies of the world whether it would be feasible to operate ships on regular schedules over the St. Lawrence route during the summer months and then lay them up for the winter or shift them to regular services or place them in tramp service during the closed season provided, of course—and this is the biggest proviso—that there were adequate channels and harbour facilities with at least 33 feet draft. Without exception those companies replied that no ocean vessel could obtain sufficient revenue to lay up during the winter season. Deep-sea boats, of course, cannot be used as temporary grain storage elevators as can lakers.

The great majority also answered the later questions in the negative. They pointed out that during the winter months there is no general increase of overseas trade which would enable established trade routes to absorb this additional tonnage, and competition is too keen to let outside tonnage come in and take business away from established lines for part of the year only. Vessels could make a profitable trip to Europe in the same time that they could make the return trip from Montreal to the head of the lake. Regular lines would probably confine themselves to ports where they could combine cargo with passenger traffic and of course passengers would land and embark as near to the sea as possible rather than take a long, slow inland trip by water.

Most of the shippers also thought that the seaway traffic would not even prove profitable to tramp tonnage. If a tramp vessel contracts to go from Montreal to the head of the lakes for grain, involving a trip of 18 days, she runs the risk of losing a more favourable charter which she might obtain if not tied up with a long inland trip. A small boat of this size could not carry grain from the head of the lakes to Liverpool at a return comparable with that which shippers can obtain via the great lakes bulk freighters to Montreal and large 10,000-ton to 12,000-ton cargo vessels out of Montreal. This small tramp would be less efficient than your great lakes bulk freighters for the inland voyage and less efficient than a first-class cargo liner for the trans-Atlantic run.

Mr. Chairman, I wish to make the sober statement that the St. Lawrence seaway as a paying route for ocean vessels is obsolete before it is officially opened. This will sound incredible to many people, I know that the hon. member for Laurier, who conceived the seaway, will vigorously refute this statement. It will probably even be denied by the present Minister of Transport who is left holding the baby. But I make this statement in the firm belief that time and circumstances will prove its validity. It is very interesting, in fact, to note that this statement is substantiated by Mr. B. J. Roberts, Canadian president of the seaway authority who is reported in the Montreal *Gazette* of May 25, 1959, to have stated, when interviewed on his first tour through the seven locks of the seaway:

> From an economic standpoint the use of lakers for bulk cargo may, in the long run, prove to be the best thing for the seaway.

I continue to quote:

> The lakers with smaller crews and lower operating expenses can outdo ocean vessels on the seaway and I think they will supersede the larger ships.

He further declared that by running on a light tonnage instead of full capacity the salt water vessels may prove to be uneconomical. I think this is a masterpiece of understatement.

The main reason for this fiasco is the inadequate depth of the seaway for profitable ocean traffic. The question of the appropriate depth was considered by various United States congressional committee in 1951, 1952 and 1953. On February 29, 1952 the Hon. Charles

Sawyer, secretary of commerce, testifying before the senate committee on foreign relations stated as follows:

> While it is true that only about 10 per cent of the American merchant marine can operate fully loaded in 27 feet of water, the overwhelming part of our merchant fleet—at least 75 per cent—can use the seaway if laden to less than capacity.

It was also stated before the committee that the total additional costs of providing a channel depth of 30 feet upon the unit cost levels of December, 1950 would have been to the United States, $20,260,000 and to Canada, $23,465,000.

The only justification for the 27-foot depth to have been publicly advanced in Canada is to be found in the following single sentence spoken by the former minister of transport in the House of Commons on December 11, 1951, as reported in *Hansard* of 1951, second session, at page 1765:

> The canal is to be 27 feet deep and that will adequately take care of, I believe it is, very nearly 90 per cent of all the ocean going ships that are in existence at the present time.

In common charity, all that I can say is that the honourable minister, as he then was, must have been including Chinese junks, Portuguese fishing smacks, Jamaican rum schooners and all sorts of other vessels that trade in obscure corners of the world thousands of miles from the St. Lawrence. He must also have included those that could go through empty, but no money is made in that way.

When allowance is made for the lesser buoyance of fresh water and for the squat of a vessel due to forward motion under way, the maximum draft that can be permitted in the seaway is 25 feet. As of December 31, 1957, 978 of the 1,039 vessels in the British merchant fleet—the great proportion of them —are over 25 feet in draft. According to the data supplied by the Canadian maritime commission, which is published in the December, 1957 report of the royal commision on the coasting trade—appendix X, incidentally, pages 261 to 270—it is stated that of Canadian dry cargo vessels of 1,000 gross tons or over, only 10 vessels under Canadian registry and three under United Kingdom registry are under 25.5 feet in draft. The others, 8 under the Canadian flag and 84 under United Kingdom registry, are all over the 25.5 foot limit. Although I shall refrain from doing so, I could itemize the names, tonnages, and drafts of all the Canadian ships.

It must be remembered that the key to profitable shipping is the last two or three inches of cargo in the hold and that an ocean-going ship is a very expensive proposition. Apart from high insurance due to the traditional hazards of inland navigation an 8,000-ton deep sea vessel costs $1,500 a day to operate. In comparison, a laker, because of higher wages, costs $2,000 daily, but it is able to carry 25,000 tons of cargo as opposed to 8,000.

Much of this was pointed out by Dr. C. P. Wright in his excellent book in the St. Lawrence seaway authority, which was published as long ago as 1935, and again in a recent article in the *Canadian Banker,* which was reprinted in the Montreal *Gazette* of March 23, 1959, by Mr. Clayton Sinclair. Despite all the ballyhoo about the St. Lawrence seaway, it stands a poor eighth in the size of vessel it will handle in comparison with other great world canals. The Panama canal and the Amsterdam-Rhine canal are 41-feet deep, the Kiel canal is 37 feet, the Suez and Port Arthur, Texas-Beaumont canals, 34 feet, the Houston, Texas, canal 33 feet, and the Manchester ship canal 28 feet. The St. Lawrence seaway will merely be the continent's third largest shipping artery and will not give ocean shipping priority over inland boats like the other two.

Even more fantastic than building an ocean seaway which could not accommodate ocean ships was trying to enter ocean shipping into a Welland canal which was already taxed to capacity. Digging the seaway, while leaving the Welland canal unimproved, was like making a bigger bottle without enlarging the neck. The Montreal *Gazette* of June 1 of this year commented editorially on the fleet of ships which lay at anchor in lake Ontario waiting to enter the Welland canal as follows:

> It is, of course, true that the flow of foreign ships into the waterway is partly explained by novelty and experiment. But even when all the abnormal conditions are taken into consideration, it still remains doubtful whether the Welland canal is capable of handling any very remarkable addition to the number of ships it has handled in the past.

Last year it was possible for Canadian ships to pass through the Welland canal in nine hours. This year it is taking up to 58 hours. Not only are the costs of these delays being added to what Canadians must pay, but the level of tolls imposed with the opening of the waterways is yet another addition to the cost structure. The users of iron ore, coal and grain face delays in receiving their supplies—still another addition to costs. The Steel Company of Canada, for example, has already expressed its grave concern at having its supplies held up. If grain cannot be promptly and efficiently shipped through the Welland canal, then there is the possibility that part of the crop is left on the farms. Unless Canadian lake freighters are given priority in the Welland locks the Canadian economy will be seriously injured by the St. Lawrence waterway instead of being

aided by it; and if Canadian lakers get the necessary priority, the waterway is no longer a seaway.

The hon. member for Laurier has recently published a most interesting book on the St. Lawrence seaway, and despite his modesty it is apparent from his book that more than anyone else in this country or in the United States he was responsible for the conception and the construction of the St. Lawrence seaway. He deserves full credit and full responsibility for this. As I have said, this is a delightful book—

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

Mr. Campbell (Stormont): —and should make an excellent grade 12 civics text.

The Acting Chairman (Mr. MacEwan): Order. The hon. member for Bonavista-Twillingate has risen on a point of order.

Mr. Pickersgill: Mr. Chairman, now that the hon. member has proved conclusively that the seaway could not be used, could not the minister withdraw the item?

Mr. Campbell (Stormont): May I continue? Despite the fact that it is such an excellent book, it is not the definitive work that we would expect from a man who took such a leading part in the seaway. Not only will the economists find little there of assistance to them, but even a novice member like myself finds it conspicuously lacking in answers to the questions that concern us here in this house. Why is there no explanation of the monumental disparity between estimated and actual costs? Why were the piers of the south channel bridge at Cornwall not founded on bedrock instead of floating on glacial till, especially when the specification called for them going down to bedrock in view of the fact that a former bridge had collapsed in the same place?

Finally, the whole reason that I am speaking here tonight is to ask, why was the seaway built at all, when it is of little use to ocean shipping? Why was not the old canal system merely enlarged to 22 feet draft, which would enable lake freighters to go down to Montreal, transship grain, pick up iron ore and take it to the head of the lakes? This could have been done for a fraction of the cost, and it would have served the same purpose. We would then have had a toll-free seaway, an all-Canadian seaway, and all the ships would still go by Cornwall as they have done for the last 100 years. Perhaps part of the answer is that the former minister was ill advised by some of his assistants such as Mr. R. A. C. Henry, who was connected with a company contracting with the Department of Transport while the same Mr. Henry was advising the department. I believe that the former minister of transport deserves full credit for his role on the seaway construction and I believe further that the present Minister of Transport deserves full sympathy for his unenviable task of trying to make the seaway work.

Mr. Winch: Mr. Chairman, I would like to direct a question to the minister whose estimates are now before us. Is it the minister's intention to comment on the well read speech and charges made by the member for Stormont?

Mr. Hees: No, Mr. Chairman.

Mr. Chevrier: Mr. Chairman, I have no intention either of commenting on the speech which the hon. member for Stormont has made, but I am rising to deal with a matter as briefly as I can which was brought up earlier which comes under this head, and that is the construction of the south channel bridge at Cornwall. I do so with a great deal of detachment because the bridge was constructed after I had left the administration of the seaway, although I must admit that the contract was awarded shortly before I left. I desire to deal with it because of some of the statements which were made by the hon. member for Assiniboia, and I believe there are one or two things which have not been brought to the attention of the committee which I would like to deal with at the moment.

The first matter is that it is an international bridge; one-third of it is in Canada and two-thirds is in the United States. By an agreement with the St. Lawrence Seaway Corporation, that is the United States entity, it was agreed that Canada would build the substructure of that bridge and the United States would build the superstructure. It was also agreed that the engineers of the bridge would be Mr. D. B. Steinman, consulting engineer of New York city, who worked in association with Dr. Pratley, now deceased; but the plans and specifications were prepared by Mr. Steinman. The point I am trying to re-emphasize now is that the bridge is one which is located one-third in Canada and two-thirds in the United States.

The other point I am making is that the contract for the substructure was given to a Canadian corporation. Now the Foundation of Canada Engineering Corporation Limited was retained by the St. Lawrence seaway authority to ascertain what effects there were in the piers. It was reported one of the piers on the north side close to Cornwall island had shifted to some extent because it was

not lying on glacial till although later this proved unfounded. It was, however, a short distance from glacial till; there was some sediment between the bottom of the concrete and the glacial till. After that had been discovered, remedial measures were effected and further examination was made. An independent board of consultants was appointed in order to investigate the measures, and the board of engineers was composed of two United States engineers and a member of the Foundation Company of Canada. And after they had examined the pier they found that the piers were adequate to safely sustain all dead and maximum live loads and that the remedial works which they had recommended had been completed.

The point I want to make is that this was first and foremost a joint Canadian-United States obligation in so far as the construction of the bridge was concerned. It was a purely United States operation in so far as the plans and specifications were concerned. It was a purely Canadian operation in so far as the substructure went, but I am sure that the United States development corporation would never have thought of placing on the substructure the weight of the superstructure unless they had been convinced, as the board of consultants so found, that the weight of the superstructure would be borne by the substructure.

Then there is also the point that this bridge operates between two countries. This bridge, in so far as the piers are concerned, is not unlike some installations of the seaway authority where the walls were placed on glacial till, and from what information I gained I am confident in my mind that there is absolutely nothing the matter with the bridge. I am sorry that the hon. member for Assiniboia, basing his contention on an anonymous informant, made the statement which he did. The statements which he made are serious and far-reaching because they are to the effect that the bridge is doomed. There is not the slightest evidence that the bridge is doomed. On the contrary, there is every evidence that the bridge is in excellent condition, and it seems to me in fairness to those with whom I was associated over a number of years—though I had nothing to do with the execution of the contract—that I should at the first opportunity make the statement that there is nothing wrong regarding the construction of this bridge.

Mr. Winch: Will you give me time to speak before ten o'clock?

Mr. Chevrier: Yes, I will be through in just a moment. Then there is also the point that it is unfortunate that information such as this should be used in the committee when it is of an anonymous nature. If an hon. member feels that something has gone wrong with construction work and will name the engineer or name the person making the charge, or indicate that the person has a reputation with which he backs the charge, then I think those are conditions which should receive attention, but when a charge is made without foundation and without information of that character, and without sufficient grounds, based on information supplied by an anonymous person, then, I believe, no credence whatever should be given to it.

Mr. Winch: In view of the remarks which have been made by the hon. member for Laurier, I should like to ask whether he and the minister have seen the Toronto *Telegram* of June 12. I would call their attention to the front page, where it says: "Would go 40 Miles to Shun Bridge". The article, written by a staff reporter, says, and I quote:

> The former chief of the St. Lawrence seaway's inspection division says he would drive 40 miles to avoid going over the new Cornwall bridge and that he would not take his family across it under any circumstances.
>
> J. B. Stirling of Montreal offered to come to Ottawa and testify fully if a parliamentary inquiry or a judicial investigation is ordered by the government to study charges that the bridge is unsafe.

May I also draw the attention of the minister and the hon. member for Laurier to what appeared in the Ottawa *Citizen* of June 11, where it was reported:

> M. A. Hanson, divisional engineer on the St. Lawrence seaway, this morning said there was no foundation for reports that the south span of the Cornwall-Massena bridge was improperly constructed.

Since this latter statement is at variance with the information which was given in answer to the question I asked concerning the movement of the piers, and in the light of these reports which appear in the *Citizen* and in the *Telegram,* particularly the statement by the former chief of the seaway inspection division, I should like to ask the minister with regard to the statement he made, in all sincerity and honesty, that if he is prepared to have a meeting between the St. Lawrence authority and their engineers—everyone responsible—and those of us who have been asking questions on this matter here in Ottawa; that if his offer is not an offer of a secret or star chamber meeting but will be an open meeting, then we accept it. The hon. member for Laurier has seen what is in the papers, and the affidavits, according to our best information and our personal inspection, and I repeat that if the minister's offer means an open

meeting we accept. I accept right now, and am authorized to do so on behalf of the hon. member for Assiniboia. But I do not accept it if the meeting is to be held as a star chamber meeting.

Mr. Hees: This talk of a star chamber is the kind of nonsense we have been accustomed to expect from that corner of the house, the kind of nonsense which was talked during the last provincial election, and the result showed what the people in the big province thought of that kind of talk.

I have offered to have the hon. member for Assiniboia and the hon. member for Vancouver East meet with any of our officials, and if they are interested in getting all the information they may ask questions freely and take all the time required to digest the information. If they are interested in getting information, that is the way to get it. Nothing will be withheld, and they will be given all the information they desire. If they are interested only in cheap publicity, which appears to be the case, then of course they will not be satisfied with that kind of meeting because at such a meeting the press will not be present; they will not be there really to get information to satisfy their curiosity as to whether this bridge was properly built. I would like to read a report which I have dealing with the bridge, which was given to me by the St. Lawrence seaway authority. It reads as follows:

> The design engineering of this bridge, both substructure and superstructure, was the work of D. B. Steinman, consulting engineer, New York, under contract with the corps of engineers, United States army, acting in its capacity as contracting agent for the St. Lawrence Seaway Development Corporation, and P. L. Pratley, deceased, consulting engineer of Montreal, retained by the St. Lawrence seaway authority as Canadian associate consultant, both as agreed to by the two seaway entities.
>
> The piers were designed for and are founded on extreme dense glacial till. The original test borings made at the sites of the main piers disclose dense glacial till overlying bed rock. Borings were taken into the rock. Standard penetration tests disclose material as being extremely dense with a weight of 145 pounds per cubic foot, as compared with 148 pounds for concrete. The glacial till required drilling and blasting to excavate. There has been no settlement from the time the piers were completed and prior to the erection of steel. The factor of safety is at least one and a half under the most extreme conditions of load.
>
> After the piers were erected test borings made in the normal course by seaway engineers revealed a lack of proper bonding between the base of the piers and the glacial till. This was remedied under expert supervision and an engineering board representing both Canadian and United States interests has certified that the piers and the soil on which they rest are now adequate to sufficiently sustain all dead and maximum live loads.

Mr. Winch: If I may, I should like to say I regret very much that the minister should say that I speak nonsense. He and I are very good friends, and I think sincere and honest friends. I do not speak nonsense in the house. I think it is the responsibility of a member—although I am not an engineer—that when he reads that a former chief of the St. Lawrence seaway inspection division makes a statement which appears on the front page of one of the largest circulating papers in the country to say something about it. You cannot say that because a member reads and quotes and uses such an article that he is speaking nonsense. I want to make that very clear because I have a great many friends on the other side, althought we differ in politics. I do not speak nonsense on the floor of the house. I try to take the information which comes to hand.

Am I to understand from the minister that in view of this he still feels that any meeting whatsoever must take place in private and that the public and the press are not to be entitled to know what perhaps a man like Sterling or others have to say? I am just asking, what is the position of the minister? Is he afraid of the public, or is he not?

Mr. Hees: If the hon. member wants information, and if he wants to take certain friends of his, Mr. Stirling and other people, to help him in his cross-examination of our engineers, I shall be very glad to have him do that. If this is just a press stunt, as I think it is, then I am not willing to have this thing turned into nothing but a circus, and that is what I think is intended. If the hon. member wants information, if he wants to take Mr. Grant or Mr. Stirling, if he wants to take a friend who is supposed to be an engineer, a friend of the hon. member for Assiniboia, then he can come along and talk to our engineers and find out everything that he wants to find out. They will hold back nothing; they will tell him the whole story and that I feel sure will satisfy him as a responsible member of parliament that this bridge was well constructed and is completely safe and will stand the test of time.

Item agreed to.

The Acting Chairman (Mr. MacEwan): This completes the estimates of the Department of Transport.

Resolutions adopted in committee of supply this day, reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, we have had a pretty long siege with these estimates and I think the house leader will find that there has been a great deal of co-operation from all members in connection with the very long and sometimes intricate estimates of the Department of Transport. Will the house leader

indicate what the business will be for Monday and the succeeding days, during the course of the week?

Mr. Green: Mr. Speaker, on Monday we shall commence with item No. 18, the resolution concerning pensions for the R.C.M.P.; then item No. 15, the resolution concerning funds for the Canadian National Railways; then item No. 20, the resolution preceding amendments to the Farm Improvement Loans Act; then item No. 9, concerning a taxation convention between Canada and Finland; then, item No. 14, the resolution concerning defence services pensions; and item No. 2, an act to amend the Unemployment Insurance Act. On Tuesday we shall start off with item No. 19 concerning Harrington lake.

Mr. Pickersgill: That will be the first item on Tuesday?

Mr. Green: That will be the first item on Tuesday. Then, following the completion of the business I have listed for Monday, we would take item No. 10, the second reading of the act respecting the superannuation of members of the Royal Canadian Mounted Police; then, item No. 3, amendments respecting the Royal Canadian Mounted Police; and item No. 11, second reading of an act to amend the Criminal Code. We would also like to get the bills through, following these different resolutions I have referred to.

The estimates for next week will be first those of the Department of Justice and then the Department of Finance.

Mr. Chevrier: Can the minister indicate what he expects we will be taking, on Wednesday?

Mr. Green: It will depend on the progress we make with the legislation. It will be either on Wednesday or Thursday.

Mr. Chevrier: May we have some indication of when the defence estimates will be brought forward?

Mr. Green: No, I am unable to do that, Mr. Speaker.

Hon. George H. Hees (Minister of Transport): Might I just take this opportunity to thank all those who have taken part in the examination of my estimates during the past three days for their co-operation, for the very useful suggestions and ideas they have put forward. I can assure them that all of the suggestions and ideas will be studied with care and attention. Thank you very much for your co-operation.

It being 12 minutes past ten o'clock, the house adjourned without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

DR. RICHARD S. MACNEISH—RECOMMENDATIONS AND CRITICISMS

Question No. 289—**Mr. Argue:**

1. Has the Minister or officers of the Department of Northern Affairs and National Resources ever received recommendations from any persons of the profession regarding Dr. Richard S. MacNeish's suitability for the positions he has held at the national museum of Canada?

2. If so, from what persons were they received, and what were their professional positions, on what dates were they received, and what was the nature of each recommendation?

3. Has the minister or officers of the Department of Northern Affairs and National Resources ever received communications from any person of his profession criticising Dr. MacNeish's competence in any way to maintain the positions he has held at the museum?

4. If so, from what persons were they received, on what date, and what was the nature of the criticism?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

Questions

1. Yes.

2. Dr. James B. Griffin; see return to motion for papers No. 70, tabled on March 25, 1959.

3. Yes.

4. From Mr. T. E. Lee on March 4, 1959 when he tendered his resignation. Mr Lee stated he was not prepared to serve under Dr. MacNeish whose professional competence he was not prepared to accept.

NORTHERN AFFAIRS AND NATIONAL RESOURCES—ORDER IN COUNCIL—TREASURY BOARD APPOINTMENTS

Question No. 396—**Mr. Argue:**

1. How many appointments to the Department of Northern Affairs and National Resources have been made in each branch in each year since 1950 by order in council or treasury board minute?

2. What was the name of each person so appointed, the date of appointment, the position to which each was appointed, the duties for which each was responsible, and the authority under which each appointment was made?

3. In what country was each of these persons born, and what citizenship did each hold at the time of their appointment?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. 1950, Nine; 1951, One; 1952, None; 1953, Six; 1954, One; 1955, Two; 1956, One; 1957, Twelve; 1958, Four; 1959, One

2.

Name	Date	Position and Duties	Authority
G. Sylvestre	1/1/50	A.O.6. assistant to director, Canadian government travel bureau	Privy council
E. J. Peters	18/1/50	Confidential messenger, minister's staff	"
C. V. Powers	18/1/50	Clerk 2B, minister's staff	"
M. Saunders	18/1/50	Secretary to executive, minister's staff	"
E. Tupper	18/1/50	Clerk 4, minister's staff	"
L. P. Cockburn	15/2/50	Assistant private secretary, minister's staff	"
R. L. Elliott	4/2/50	Private secretary to the minister	"

Name	Date	Position and Duties	Authority
A. E. Villeneuve	5/9/50	Clerk 2A, minister's staff	Privy council
H. A. Young	1/10/50	Deputy minister and commissioner, Northwest Territories	"
D. McCready	16/10/50	Stipendiary magistrate, national parks of Canada (part time)	"
H. Black	1/3/51	Stenographer 3, minister's staff	"
F. E. Armstrong	22/6/53	Clerk 2A, minister's staff	"
L. Benoit	17/9/53	Confidential messenger, minister's staff	"
M. Lachaine	17/9/53	Clerk 2B, minister's staff	"
G. LaCasse	18/9/53	Head clerk, minister's staff	"
R. M. Robichaud	1/10/53	Clerk 3, minister's staff	"
R. G. Robertson	15/11/53	Deputy minister and commissioner, Northwest Territories	"
M. Arsenault	1/9/54	Stenographer 3, minister's staff	"
C. M. Lavigne	1/4/55	Stenographer 2B, minister's staff	"
D. Pare	1/5/55	Private secretary to the minister	"
M. C. Dubois	6/3/56	Stenographer 3, minister's staff	"
M. C. Dubois	1/1/57	Clerk 4, minister's staff	"
H. A. Myre	21/1/57	Stenographer 2, minister's staff	"
P. M. Jones	22/6/57	Head clerk, minister's staff	"
W. W. Raymond	15/7/57	Confidential messenger, minister's staff	"
A. Bradley	12/8/57	Stenographer 3, minister's staff	"
H. J. Robertson	22/8/57	Clerk 3, minister's staff	"
D. J. Thiessen	4/9/57	Private secretary to the minister	"
C. V. Irving	6/9/57	Head clerk, minister's staff	"
A. P. Wilcock	16/9/57	Clerk 4, minister's staff	"
H. J. Montgomery	17/9/57	Confidential messenger, minister's staff	"
D. J. Thiessen	1/11/57	Executive assistant to the minister	"
R. A. Faibish	7/11/57	Private secretary to the minister	"
J. C. Potter	10/6/58	Clerk, minister's staff	"
A. E. Ireland	1/7/58	Stenographer 2, minister's staff	"
C. V. Irving	1/8/58	Associate private secretary to minister	"
J. E. Powell	31/12/58	Typist, minister's staff	"
N. Roth	1/2/59	Assistant private secretary to minister	"

Name	Country of birth	Citizenship at appointment
G. Sylvestre	Canada	Canadian
E. J. Peters	Canada	Canadian
C. V. Powers	Canada	Canadian
M. Saunders	Canada	Canadian
E. Tupper	Canada	Canadian
R. L. Elliott	Not available	Not available
L. P. Cockburn	Canada	Canadian
A. E. Villeneuve	Canada	Canadian
H. A. Young	Canada	Canadian
D. McCready	Canada	Canadian
H. Black	Canada	Canadian
F. E. Armstrong	Canada	Canadian
L. Benoit	Not available	Not available
M. Lachaine	Canada	Canadian
G. LaCasse	Not available	Not available
R. M. Robichaud	Canada	Canadian
R. G. Robertson	Canada	Canadian
M. Arsenault	Canada	Canadian
C. M. Lavigne	Canada	Canadian
D. Pare	Canada	Canadian
M. C. Dubois	Not available	Not available
H. A. Myre	Not available	Not available
P. M. Jones	Not available	Not available
W. W. Raymond	Not available	Not available
A. Bradley	England	British
H. J. Robertson	Canada	Canadian
D. J. Thiessen	Russia	Canadian (naturalized 1932)
C. V. Irving	Canada	Canadian
A. P. Wilcock	Canada	Canadian
H. J. Montgomery	Canada	Canadian
R. A. Faibish	Canada	Canadian

NATIONAL MUSEUM—THOMAS E. LEE

Question No. 405—**Mr. Argue:**

1. Was a Mr. Thomas E. Lee ever employed at the national museum of Canada?
2. If so: (a) what positions has he held there, on what date did he take up each, and on what authority? (b) what was the nature of the duties Mr. Lee was responsible for in each of these positions?
3. Was a civil service competition held for any of these appointments?
4. If so, for which ones and what was the date of each competition?
5. Has Mr. Lee taken (a) the oath of allegiance; (b) the oath of office?
6. If so, on what date was this done?
7. If not, under what authority was Mr. Lee allowed to take a position under the jurisdiction of the Civil Service Act?
8. At what universities did Mr. Lee take his degrees, in what subjects did he specialize, and under whom did he study at each university?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes.

2. (a) Technical officer 1, (summer seasonal) June 15 - August 31, 1949 by civil service certificate. Technical officer 2, June 10, 1950, by civil service certificate; anthropologist 3, April 1, 1952, by civil service certificate; anthropologist 4, April 1, 1955, by civil service certificate; biologist 3, April 1, 1956, by civil service certificate.

(b) Technical officer 1 and 2, general archaeological duties, lectures in anthropology. Anthropologist 3, organizing, conducting field reconnaissance, intensive explorations and research in archaeology, lectures in anthropology. Anthropologist 4, same duties as anthropologist 3 with greater responsibility. Biologist 3, same duties as anthropologist 4.

3. Yes.

4. Technical officer 2, date of competition not known, temporary eligible list 83133-E1 established 24 February, 1950. Anthropologist 3, permanent eligible list 88267B89, oral interview June 13, 1952. Examined and authorized by the civil service commission, June 24, 1952.

5. There is no record of Mr. Lee having subscribed to the oath of allegiance or oath of office.

6. N/A.

7. Under section 20, subsection 2, of the Civil Service Act. Technically, under section 42 of the Civil Service Act, Mr. Lee should not have received salary until the oaths were taken. It is possible that the records may be defective and that the oaths were in fact taken. It is also possible that a failure in the normal documentation procedures may have occurred.

Questions

8. Wayne University, Detroit, B.A., 1944; English and history; no record. University of Michigan, M.A., 1949; archaeology, Professor James B. Griffin.

PAUL MCGOWAN, FORT WILLIAM—RADIO STATION LICENCE

Question No. 435—**Mr. Badanai:**

1. Was a radio licence awarded to Mr. Paul McGowan to operate a radio station in Fort William?
2. If so, on what basis?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. No.
2. See answer to No. 1.

NATIONAL MUSEUM—DR. R. S. MACNEISH

Question No. 440—**Mr. Argue:**

1. Is a Dr. R. A. MacNeish presently employed with the national museum of Canada?
2. If so, has Dr. MacNeish done any archaeological or other scientific work in Mexico since his appointment?
3. In what years has he done such work, between what dates of each year, who were the members of each expedition, what was their function, and with what organization were they conected professionally?
4. What was the purpose of each expedition, the places investigated, and the results of each?
5. What organizations sponsored this work each year?
6. Did Dr. MacNeish receive any money payment from any organization for this work?
7. If so, from what organization, in what year, what amount, and was this in addition to his salary from the national museum of Canada?
8. Did the national museum of Canada pay any part of the expenses of Dr. MacNeish's work in Mexico at any time, or that of any member of the party?
9. If so, what was the list of expenses submitted and paid by the museum in each year, and for whom and by whom were they submitted?
10. Of what interest to Canada and Canadian archaeology is the work which Dr. MacNeish is doing in Mexico?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes.
2. Yes.

3. Dr. MacNeish led various expeditions in order to renew investigations in Mexico at the request of the director of the Harvard University botanical museum and with the approval of the then chief curator of the national museum of Canada. The work was done in the years of 1953, 1954, 1955, 1956 and 1959. During the fiscal years of 1952-53, 1955-56 and 1958-59, work was done wholly on Dr. MacNeish's statutory leave time. Seventy-four days outside duty was granted in 1953-54 and 66 days in 1954-55 in addition to Dr. MacNeish's annual statutory leave. Over the years hundreds of local labourers were hired in the state of Tamaulipas. The department has no record of the persons employed as the expeditions were not organized by the national museum of Canada.

4. The purposes of the expeditions (which had started in 1945-46 and continued 1948-49) were, in general, to determine the prehistory in the state of Tamaulipas and adjacent parts of the state of Veracruz, Mexico. The specific purposes changed as information accrued. Notably after 1953, the purposes were to determine the origin, spread and the improvements in new world agriculture. The detailed purposes of each expedition, most of the places investigated and the results of expeditions will be found in the following publications by Dr. MacNeish:

(1) *An Early Archaeological Site near Panuco, Veracruz.* Transactions of the American Philosophical Society, vol. 44, pt. 4, Philadelphia, Pa., 1954.

(2) *Preliminary Archaeological Investigations in the Sierra de Tamaulipas, Mexico.* Transactions of the American Philosophical Society, vol. 48, part 6, Philadelphia, Pa., 1958.

(3) (Co-author with F. Peterson) *Santa Marta Rockshelter, Ocozocoautla, Chiapas, Mexico.* New World Archaeological Foundation.

(4) *Prehistoric Southeast Mexico Relationships in Light of an Archaeological Survey of Tamaulipas, Mexico.* Dissertation for the degree of Ph.D. University of Chicago, library, 1948.

(5) (Co-author with P. C. Mangelsdorf and W. C. Galinat) *Archaeological Evidences on the Diffusion and Evolution of Maize in Northeastern Mexico.* Harvard University botanical museum leaflets, vol. 17, No. 5, Cambridge, 1956.

(6) *Prehistoric Settlement Patterns on the Northeastern Periphery of Meso-America in Prehistoric Settlement Patterns in the New World* edited by G. R. Willey, Viking Fund Publication in Anthropology, No. 23, New York, 1956.

(7) (Co-author with T. W. Whitaker and H. C. Cutler) *Cucurbit Materials from Three Caves near Ocampo, Tamaulipas.* American Antiquity, vol. 22, No. 4, Salt Lake City, Utah, 1957.

(8) *The Independent Investigator* in *The Identification of Nonartifactual Archaeological Materials.* Ed. Walter W. Taylor. National Academy of Sciences—national research council, publication 565, 1957. Washington, D.C.

(9) (Co-author with L. Kaplan) *Prehistoric Bean Remains from Caves in the Ocampo Region, Mexico.* Submitted for publication to Harvard University botanical museum leaflets.

(10) *A Preliminary Report on Coastal Tamaulipas, Mexico.* American Antiquity, vol. 13, No. 1, Menasha, Wisc., July 1947.

(11) *A Synopsis of the Archaeological Sequence in the Sierra de Tamaulipas.* Revista Mexicana de Estudios Antropologicos, Sociedad Mexicana de Antropologia, tomo XI, Mexico, DF., 1950.

(12) *The Development of Agriculture and the Concomitant Development of Civilization in Meso-America, Tamaulipas, Mexico.* American Philosophical Society year book, 1954, Philadelphia, Pa., 1955.

(13) *The Development of Agriculture and the Concomitant Development of Civilization in Meso-America. Tamaulipas, Mexico.* American Philosophical Society year book 1955, Philadelphia, Pa., 1956.

(14) *Investigation of the Development of Agriculture in Light of Material from Caves in Honduras and Guatemala.* American Philosophical Society year book 1957. Philadelphia, Pa., 1958.

(15) *Discussion of Ekholm's Regional Sequences in Meso-America and their Relationships* in Middle American Anthropology, Pan-American Union, social science monographs V, Washington, D.C., 1958.

(16) *Investigations of the Development of Agriculture in Light of Material from Caves in Honduras and Guatemala.* American Philosophical Society year book, 1958. Philadephia, Pa., 1959.

(17) *Archaeological Discoveries in Northern Mexico.* International News Service, New York, 1949.

(18) *Ancient Maize and Mexico.* Archaeology, vol. 8, No. 2, Brattleboro, Vt., 1955.

5. In 1949 the expedition was sponsored by the Wenner-Gren foundation for anthropological research, New York city, which made a grant of $3,000, to launch the expedition; $2,000 were contributed personally by Dr. MacNeish, who borrowed another $1,000 while $350 was contributed by the International News Service.

Questions

In 1953 the botanical museum of Harvard University paid Dr. MacNeish's travelling expenses ($400) during his annual leave so that he might visit Mexico during that time and do the preliminary work for the ensuing year's expedition. This sum was matched by Dr. MacNeish with his personal funds.

In 1954 the following made grants toward an expedition in Mexico led by Dr. MacNeish:

American Philosophical Society, $2,000; American Academy of Arts and Sciences, $2,000; The Botanical Museum of Harvard University, $2,000; The De Kalb Seed Company, $1,000; Time Magazine Inc., $300.

Dr. MacNeish contributed somewhat over $2,000 toward the expenses of the expedition out of his personal funds.

In 1954 the following made grants for the completion of the expedition's work up to that date:

The Guggenheim Foundation, $5,000; The American Academy of Arts and Sciences, $900; The American Philosophical Society, $860.

Dr. MacNeish contributed slightly less than $1,000 toward these expenses out of his personal funds.

In 1959 the New World archaeological foundation of California paid directly the expenses of an expedition in Chiapas, Mexico, which was led by Dr. MacNeish.

Dr. MacNeish contributed over $800 out of his personal funds.

6. and 7. See answer to question 5.

8. No.

9. Not applicable.

10. The expeditions opened new avenues of knowledge as to the origins, spread and improvement of agriculture and domesticated plants in the New World. Much of this information is of use today to plant geneticists both in understanding the process of hybridization and in increasing agricultural productivity. This is of direct concern to Canada's agriculture. It is also of concern to Canada as a nation which not only wishes to improve its own standards of living but to contribute to the world fund of knowledge and to understand the past in its relation to the future.

Supply—Items Passed

[The following items were passed in committee of supply]:

DEPARTMENT OF TRANSPORT

425. Construction services administration, $2,809,785.

Telecommunications branch—

Radio aids to air and marine navigation—

426. Administration, operation and maintenance, $16,628,508.

427. Construction or acquisition of buildings, works, land and equipment, $14,044,100.

Radio Act and regulations—

428. Administration, operation and maintenance, including Canada's share of the costs of the international radio, telegraph and telephone organizations listed in the details of the estimates, $2,645,708.

429. Construction or acquisition of buildings, works, land and equipment, $405,000.

Telegraph and telephone service—

430. Administration, operation and maintenance, $264,867.

431. Construction or acquisition of buildings, works, land and equipment, $510,500.

Meteorological branch—

432. Administration, operation and maintenance, including Canada's assessment for membership in the world meteorological organization, $12,299,325.

433. Construction or acquisition of buildings, works, land and equipment, $1,400,000.

Civil aviation branch—

434. Control of civil aviation, including the administration of the Aeronautics Act and regulations issued thereunder, $2,298,239.

435. Airports and other ground services operation and maintenance, including authority for payment of grants, totalling not more than $299,000, subject to approval by the governor in council, to appropriate church authorities at Gander, Newfoundland, for the purpose of relocating and re-establishing church activities from the airport limits to Gander townsite and to provide, notwithstanding the Financial Administration Act or any other act, that the treasury board may in the current and future years authorize arrangements to be made for the operation of hotel, bakery, restaurant, staff messing, staff accommodation and similar facilities at airports and authorize the disbursement of revenues derived therefrom and payment of deficits that may occur in the management and operation of these facilities, $18,878,041.

436. Air traffic control, $5,559,348.

437. Construction or acquisition of buildings, works land and equipment, including construction work on municipal airports and payments to municipalities as contributions towards construction done by those bodies, and amounts to be paid in settlement of claims for compensation by persons whose property is injuriously affected by the operation of a zoning regulation made under authority of paragraph (j) of subsection (1) of section 4 of the Aeronautics Act and including authority to contribute up to $250,000 in 1959-60 to the province of Nova Scotia towards the construction of a highway providing access to the new Halifax international airport, $63,000,000.

438. Grants for the development of civil aviation, in the amounts detailed in the estimates, $599,400.

439. Contributions to municipalities or public bodies for construction and improvements of airports on land acquired by such organizations including a contribution to an appropriate authority in respect of an airport at Lourdes-du-Blanc-Sablon, Quebec, $82,060.

440. Contributions toward airport development and other airport projects on cost-sharing basis, in the amounts detailed in the estimates, $90,000.

441. Payments to other governments or international agencies for the operation and maintenance of airports, air navigation and airways facilities, including authority to pay in the amounts and in the currencies in which the assessments are levied and to authorize a grant in the amount of $122,500 to the South Pacific air transport council; amount required in Canadian dollars, estimated as of December, 1958, $274,820.

B—General—

Air Transport Board—

442. Salaries and other expenses, including the Canadian delegation to the international civil aviation organization, $369,285.

Board of transport commissioners for Canada—

443. Administration, operation and maintenance, $1,112,773.

444. Amount to be credited to the railway grade crossing fund, in addition to the amount to be credited to the fund under the Railway Act in the current fiscal year, for the general purposes of the fund, $10,000,000.

Canadian maritime commission—

445. Administration, $153,488.

446. Steamship subventions for coastal services, as detailed in the estimates, $5,553,500.

National harbours board—

447. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1959 on any or all of the following accounts:

Reconstruction and capital expenditures—

Halifax	$ 933,500
Saint John	830,000
Chicoutimi	150,000
Quebec	2,770,000
Prescott	325,000
Churchill	25,000
Generally—Unforeseen and miscellaneous	200,000
	$5,233,500
Less—amount to be expended from replacement and other funds	938,386
Total	$4,295,114

St. Lawrence seaway authority—

482. Loans to the St. Lawrence seaway authority in such manner and subject to such terms and conditions as the governor in council may approve, $30,000,000.

Canal services—

483. Acquisition of land required in connection with the development of the 27 foot Cornwall navigation system, $180,000.

Air services—

484. Acquisition of land for control of properties in the vicinity of main terminal airports to prevent the erection of hazards to flying, and for future development of new and existing main terminal airports including alternative facilities for relieving congestion threat, $4,000,000.

485. Loan to the Canadian overseas telecommunication corporation in accordance with section 14 of the Canadian Overseas Telecommunication Corporation Act for additions and betterments to facilities, $2,500,000.

National harbours board—

486. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1959 on any or all of the following accounts—

Reconstruction and capital expenditures—

Three Rivers	$ 525,000
Montreal	24,484,200
Vancouver	3,737,000
	$28,746,200
Less—amount to be expended from replacement and other funds	1,817,416
Total	$26,928,784

A—Department—

584. Departmental administration—further amount required, $54,120.

Canal services—

585. Construction or acquisition of buildings, works, land and equipment—further amount required, $326,000.

586. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority — further amount required, $296,000.

Marine services—

Marine service steamers—

587. Administration, operation and maintenance—further amount required, $2,878,600.

588. Pilotage service—further amount required, $891,925.

Railway and steamship services—

Payments to the Canadian National Railway Company (hereinafter called the company) upon applications approved by the Minister of Transport, made by the company to the Minister of Finance, to be applied by the company in payment of the deficits, certified by the auditors of the company, arising in the operations in the calendar year 1959—

589. Newfoundland ferry and terminals—further amount required, $412,000.

Strait of Canso—

590. Transportation improvement and facilities, $28,000.

591. Construction or acquisition of auto-ferry vessels and equipment as listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended upon individual listed projects—further amount required, $1,000,000.

Air services—

Telecommunications branch—

Radio aids to air and marine navigation—

592. Administration, operation and maintenance—further amount required, $175,909.

Telegraph and telephone service—

593. Construction or acquisition of buildings, works, land and equipment—further amount required, $26,000.

Meteorological branch—

594. Administration, operation and maintenance—further amount required, $170,000.

Civil aviation branch—

595. Airports and other ground services—operation and maintenance—further amount required, $199,283.

596. Construction or acquisition of buildings, works, land and equipment—to extend the purposes of vote 437 of the main estimates, 1959-60, to include the making of contributions during the current and subsequent fiscal years not exceeding in the aggregate $290,000 to the municipalities of Strathcona and Leduc and the town of Leduc, Alberta, towards the construction of a water main from Edmonton to Edmonton international airport, $1.

597. Contributions toward airport development and other airport projects on cost-sharing basis, in the amounts detailed in the estimates—further amount required, $30,000.

Special—

598. Gift of furnishings to the headquarters of the world meteorological organization at Geneva, Switzerland, $7,100.

B—General—

Canadian maritime commission—

599. Steamship subventions for coastal services, as detailed in the estimates—further amount required, $54,700.

St. Lawrence seaway authority—

607. Loans to the St. Lawrence seaway authority in such manner and subject to such terms and conditions as the governor in council may approve—further amount required, $22,500,000.

Air services—

608. Loan to the Canadian overseas telecommunication corporation in accordance with section 14 of the Canadian Overseas Telecommunication Corporation Act for additions and betterments to facilities—further amount required, $8,924,000.

APPENDIX

EXCHANGE OF NOTES RESPECTING U.S. NAVAL FORCES ON GREAT LAKES

No. 178

The ambassador of the United States of America presents his compliments to the Secretary of State for External Affairs and has the honour to refer to the Rush-Bagot treaty of 1817, which serves to guide Canada and the United States in matters relating to naval forces on the great lakes.

The ambassador wishes to state that the United States navy, in conjunction with the St. Lawrence seaway opening ceremonies and the Chicago international fair in July 1959, has proposed that its amphibious squadron eight (PHIBRON 8), with marines embarked conduct demonstration and training assault landings in the great lakes area. This project has been designated Operation Inland Sea. The location for the proposed landing area has not yet been determined.

The ambassador is authorized to extend an invitation for the Royal Canadian Navy to participate in this operation, thereby making it a combined Canadian-United States exercise, and to express the hope that the Canadian government will share the view of the United States government that this exercise would not be inconsistent with the intent of the Rush-Bagot treaty of 1817.

The ambassador would appreciate the consideration of the Canadian government with respect to this proposal.

Embassy of the United States of America,
Ottawa, February 13, 1959.

No. 207

The ambassador of the United States of America presents his compliments to the Secretary of State for External Affairs and has the honour to refer to the ambassador's Note No. 178 of February 13, 1959, concerning a proposal of the United States navy to have its amphibious squadron eight (PHIBRON 8), with marines embarked, conduct demonstration and training assault landings in the great lakes area.

In conjunction with this project, which has been designated Operation Inland Sea, the ambassador wishes to state that the United States navy proposes to send a task force consisting of about 28 ships including the heavy cruiser *Macon* on a tour of 24 United States ports in the great lakes area this summer. The cruise would begin shortly after June 26 and continue through July 27. Some of the ships would participate in the previously mentioned amphibious demonstration. The task force commander would be Rear Admiral E. B. Taylor commander of destroyer forces Atlantic fleet. The task force would be composed of two destroyer squadrons one amphibious squadron four submarines, the heavy cruiser *Macon* and the frigate *Mitscher* (DL-2).

The ambassador would be most appreciative if the Canadian government would find it possible at an early date to concur in the view of the United States government that this good-will cruise would not be inconsistent with the intent of the Rush-Bagot treaty of 1817. In the event that the Canadian government concurs in this view the United States navy would plan to issue a press release in the near future along the above lines.

Embassy of the United States of America,
Ottawa, March 9, 1959.

No. 68

The Secretary of State for External Affairs presents his compliments to the embassador of the United States of America and has the honour to refer to the ambassador's notes No. 178 of February 13, 1959 and No. 207 of March 9, 1959 relating to the Rush-Bagot agreement of 1817 and containing an invitation for Canadian naval units to participate in certain exercises being planned by the United States navy in the waters of the great lakes.

The Secretary of State for External Affairs notes that it is proposed that 28 ships of the United States navy carry out a good-will cruise of United States lake ports as well as demonstrations and training assault landing exercises in the United States waters of the great lakes.

The Secretary of State for External Affairs has the pleasure to inform the ambassador that the government of Canada shares the view of the United States government that the naval movements required for these proposed operations would not be inconsistent with the intent of the Rush-Bagot agreement of 1817 whose application and interpretation are more fully elaborated in notes related thereto exchanged between the Canadian and United States governments on November 18, 1946 and December 5, 1946 respectively.

A further communication can be expected relating to the invitation, extended in the ambassador's note No. 178 of February 13, for Canadian naval units to participate in the proposed exercises.

Handed to Mr. Carlson on
March 20, 1959

Ottawa, March 14, 1959
S. E. S.

HOUSE OF COMMONS

Monday, June 15, 1959

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

MOTION TO ADJOURN FOR OPENING OF SEAWAY

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Leader of the Opposition asked the other day whether or not the house would be sitting on June 26, the date of the official opening of the St. Lawrence seaway. I said that if there was agreement I would move a motion today that the house do not sit on Friday, June 26. I find, however, that the motion is such that it is necessary to import into its wording the date when the house will sit.

I have heard it suggested, and I just place this before the house for the moment without comment, that following the opening of the waterway a large number of United States congressmen will be visiting Ottawa on Saturday, June 27. I am not in any way advancing this as a suggestion at the moment, but I know that hon. members are most desirous that every possible day be utilized for the business before us. It might be that later next week consideration may be given, after consultation with the various members of the house, to having the house sit on Saturday, the 27th. The house would then be in a position in which it would not be losing a day's work that week, and at the same time it would make it possible to receive the representatives of the United States congress.

Having said that, with the unanimous consent I move:

That when this house adjourns on Thursday, June 25, it stand adjourned until Monday, June 29.

Motion agreed to.

AIRPORTS

MALTON—TABLING OF JUDGMENT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as undertaken the other day I wish to table two copies of the reasons for judgment in the Exchequer Court of Canada in the proceedings between Aileen M. Drew, suppliant, and Her Majesty the Queen, respondent.

Mr. Speaker: Has the Prime Minister leave to table this document?

Some hon. Members: Agreed.

66968-9—299½

DEFENCE PRODUCTION

ANNOUNCEMENT OF RESULTS OF NEGOTIATIONS WITH GRUMMAN AIRCRAFT

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, I wish to announce to the house details of the results of negotiations with the Grumman Aircraft Engineering Corporation of Bethpage, Long Island, New York, in connection with the supply of 10 SA16B aircraft, commonly known as the Albatross, for use by the R.C.A.F. search and rescue service.

The government has decided to award a contract for the supply of these aircraft to the Grumman corporation. The planes are urgently needed for the search and rescue operations of the R.C.A.F. and no other aircraft presently available has the same suitability for recovery at sea or on large water areas as the Albatross. These planes can also be effectively used for freight and supply in the northern areas of Canada, and should prove a valuable acquisition in this regard.

A full examination was made of the possibility of obtaining a licence for the manufacture of this aircraft in Canada, but such a transaction was found to be uneconomic since only 10 aircraft are to be ordered, and even if this quantity was doubled or tripled the cost of Canadian manufacture would still be prohibitive.

Special attention was then given to the working out of production-sharing arrangements, and as a result orders totalling approximately 40 to 50 per cent of the cost of the purchase of these planes will be placed with Canadian manufacturers. The engine which will be installed in the aircraft is the Wright R1820-82, which is being manufactured by Canadian Pratt and Whitney Aircraft Company, Longueuil, Quebec, for our S2F program. This engine can be accommodated in the Albatross aircraft by making a very small engineering change.

Numerous other items made in Canada, such as electronic and navigational items, will be incorporated in the Albatross aircraft, and a portion of the airframe is being subcontracted to Bristol-Aero Industries Limited in Manitoba.

In addition to these arrangements which have been made in connection with the supply of the Albatross aircraft, the Grumman Aircraft Engineering Corporation has agreed to let a subcontract in Canada to

Enamel and Heating Products Limited, Amherst, Nova Scotia, in an amount of approximately $1 million for the supply of a substantial number of components for the S2F aircraft, which the Grumman company is building for the United States navy. The company has also agreed to consider letting additional subcontracts on other work for placement in Canada, but this is, of course, subject to their normal procurement cycle. I am hopeful that these additional orders will amount to a substantial sum over the next few years.

The details of this transaction have been worked out under the recently announced production sharing arrangements made between this government and the government of the United States.

[*Later:*]

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I have a question for the Minister of Defence Production arising out of the statement he made a few moments ago. Is the minister in a position to tell the house if the Fort William plant of Canada Car is being considered for sharing in the production of the aircraft components he mentioned or whether he has other contracts in mind for that plant?

Hon. Raymond O'Hurley (Minister of Defence Production): No, Mr. Speaker, the plant at Fort William is not in the program I announced a moment ago. I have stated many times with respect to the plant at Fort William that in the production sharing program we have offered every facility to Canadian Car and Foundry to participate in any program we might have, but I have nothing to announce for the time being.

AGRICULTURE

REPEAL OF CANADIAN FARM LOAN ACT—PROVISION OF LONG TERM MORTGAGE CREDIT TO FARMERS

Hon. D. S. Harkness (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the establishment of a system of long term mortgage credit to farmers, to incorporate therein the provisions of the Canadian Farm Loan Act, to add thereto a new type of supervised farm mortgage credit and to repeal the said Canadian Farm Loan Act.

Motion agreed to.

[Mr. O'Hurley.]

MARITIME COAL PRODUCTION ASSISTANCE ACT

AMENDMENTS EXTENDING APPLICATION, INCREASING AMOUNTS OF LOANS, ETC.

Hon. Paul Comtois (Minister of Mines and Technical Surveys) moved that the house go into committee at the next sitting to consider the following resolution which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Maritime Coal Production Assistance Act to extend the application of the act to coal producers in all parts of Canada; to provide that the aggregate principal amount of loans made to coal producers under section 6 of the act shall be increased from ten to twenty million dollars and that the aggregate principal amount of loans made to any one coal producer under the same section shall be increased from seven and one-half to twelve million dollars; to extend the operation of the act from the 31st day of October, 1959 to the 31st day of October, 1964; and to authorize certain amendments to the agreement made under the act with the Dominion Coal Company Limited for the purpose of varying the terms of repayment of principal and interest as provided under section 4 thereof.

Motion agreed to.

MOTION FOR PAPERS

FERRY SERVICE, ST. JOSEPH DE LA RIVE-ST. BERNARD DE L'ÎLE-AUX-COUDRES

Motion No. 120—**Mr. Brassard (Lapointe):**

For a copy of all telegrams, correspondence, reports and other documents exchanged since August 1, 1958, between all persons or public bodies, and the Canadian maritime commission or the Department of Transport, regarding the ferry service operated by Rosario Harvey between St. Joseph de La Rive and St. Bernard de l'Ile aux Coudres, in the county of Charlevoix.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, as I understand the hon. member intends to ask permission to withdraw this motion, I would appreciate it if it could stand.

Motion stands.

NATIONAL DEFENCE

BOMARC MISSILE—REPORTED DOWNGRADING OF PROGRAM BY U.S.

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister a question which, in view of its importance and the fact that I have not been able to give him notice, he may prefer to take as notice. The question is this. In view of the apparent uncertainty in Washington regarding continental air defence, and in view of the downgrading of the Bomarc missile in the latest United States master plan

for such defence, will the government consider suspending Canadian expenditures on Bomarc and Sage installations until this situation is cleared up?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not accept the preliminary words in the preamble to that question in any way. I rise merely for the purpose of saying that I do not agree with the suggestion made by the Leader of the Opposition. In so far as the question in general is concerned respecting the Bomarc, I would suggest the Minister of National Defence is the proper minister to answer it.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, I may say that I anticipated a question on these lines.

The United States secretary of defence has recommended certain reductions in the number of surface to air missiles planned for use against manned bombers. Briefly, the program involves a reduction in the previously planned deployment of the Bomarc and Nike-Hercules missile batteries and a step-up in the program for the development of an anti-ballistic missile defence. It is not the intention to eliminate one system or the other, but rather to make the best use of both systems since they complement each other. The proposed changes have taken full account of the effective integration of Canadian and United States air defences. These proposed changes do not affect our own defence position or the planned construction and employment of the Bomarc bases in Canada. Only United States bases are affected.

This is a realistic and practical approach to the solution of the problem of the defence of this continent. It conforms with Canadian thinking in that it recognizes, as I have frequently stated, that while the threat from the manned bomber still exists it is a diminishing threat. Therefore expenditures upon any weapons system designed to meet the bomber threat only should be kept within reasonable bounds. The two Canadian Bomarc stations have an important role in the general pattern of continental defence.

We have at all times and at the various official levels been in close touch with the United States authorities. During the past few days I have spoken with Mr. McElroy, the secretary of defence, and his scientific adviser, Mr. Holaday, who made the presentation to the senate armed services committee. These conversations have confirmed our previous knowledge that the proposed redeployment program would not in any way prejudice or make less effective the plans for the defence of Canada that have been agreed upon by our two countries.

Inquiries of the Ministry

Mr. Pearson: Mr. Speaker, a supplementary question. Can the minister state whether the press report that the reduction in expenditure recommended in this new defence plan for the Bomarc amounts to over $700 million is accurate?

Mr. Pearkes: There is a very considerable proposed reduction in the amounts to be spent on the Bomarc according to the original deployment plan; but as I have stated, the reductions which are planned will not affect in any way the defence of Canada.

FLOODS

MANITOBA—FEDERAL ASSISTANCE IN SEINE RIVER AREA

On the orders of the day:

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, I should like to direct a question to the Minister of Agriculture.

In view of flood conditions existing along the Seine river, which have forced the evacuation of some 40 families and are causing extensive damage along its banks in the municipalities of Ste. Anne, Tache and Ritchot, will the minister inform the house regarding any compensations that may be paid to the farmers in the flooded area? Mr. C. Chaput, reeve of the municipality of Ste. Anne, informs me by telephone that the seeded acreage will be a total loss, as the fields are still covered with water.

Hon. D. S. Harkness (Minister of Agriculture): I thank the hon. member for having given me notice of his intention to ask this question. As far as loss of crops is concerned, awards under the Prairie Farm Assistance Act are payable to farmers in the spring wheat area who suffer loss of crop through flooding. In brief, the provision of the act in this regard is as follows. If one third or more of the total cultivated area of the land on six or more adjacent sections of land or river lots cannot be seeded, the farmers owning such land are entitled to an award of $4 per acre with respect to the flooded area. As long as there is an area of six adjacent sections or more, awards can be paid.

If the land has already been seeded it would come under the general provisions as far as loss of property through rain or drought or any other cause is concerned.

FINANCE

STATEMENT ON NEW ISSUE OF GOVERNMENT BONDS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to address a question to the Minister of Finance. Could the minister

inform the house whether he has authorized the Bank of Canada to invite subscriptions for a new bond issue today, and if so, would he give us particulars?

Hon. Donald M. Fleming (Minister of Finance): Yes, Mr. Speaker; the wires went out last night and were delivered this morning in connection with a new issue of $200 million of government of Canada bonds.

The issue consists of two maturities, open as to amount in each maturity, and in each case it is a matter of the enlargement of an existing outstanding maturity. The first is a 2¾ per cent bond of the issue due on April 1, 1960, and the second is a 3 per cent bond maturing December 15, 1960.

The statement which accompanied the offering this morning indicates that this is the balance of the financing to meet the $500 million maturity bonds on July 1. If the house is interested I might show how this maturity is being met, according to the government's plans.

The recent sale of 12 month treasury bills produced $187 million in trade-in bonds. Then $75 million worth of the remaining maturity are held in the government securities investment account and will be allowed to run off on the due date without replacement. A further $38 million of the bonds are held by the Bank of Canada, which has agreed to exchange them for $19 million of each of the two new issues. Accordingly the offering is $200 million even.

Mr. Benidickson: May I ask a supplementary question. Has the minister, in approving of this offer, calculated the value to, say, a corporation or any other purchaser who has the benefit of capital gains, in the 50% tax rate bracket vis-à-vis buying another bond of similar term at a par price? Would the minister quarrel very much with me if I said that in my hasty calculation, on the 9 month 2¾ per cent issue a par issue would require an 8.2 per cent figure for the equivalent of what the minister has offered, or that the 3 per cent 15 month issue would require 8.4 per cent at par coupon value to equal what the minister has offered to the public on his present requirements?

Mr. Fleming (Eglinton): Mr. Speaker, I think to put figures before the house in the way the hon. gentleman has done is very misleading. These additions to outstanding maturities are priced quite close to the present market.

Mr. Benidickson: But my figures are correct.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. I wonder if the minister is aware that at the noon hour his 3 per cent issue was being offered to yield a return of 5.68 per cent, and is the government contemplating any action at all to protect the taxpayers of the Dominion of Canada?

Mr. Fleming (Eglinton): Mr. Speaker, the government has shown itself quite vigilant in protecting the interests of the taxpayers as well as with respect to the credit of Canada, and I invite the co-operation of hon. members opposite in doing what may lie within their power to assist us in that regard.

Mr. Regier: Mr. Speaker, I wonder if I might ask the minister how he is able to reconcile his earlier announcement concerning the 3 per cent coupons, when at the noon hour the offering yielded 5.68 per cent? How is the minister able to rationalize this as being realistic?

Mr. Fleming (Eglinton): The price, Mr. Speaker, at which the 2¾ per cent bond due April 1, 1960 is offered is 98. The 3 per cent bond maturing December 15, 1960 is offered at 96.30. In both cases we have the assistance of knowing what the market is on these bonds because we are simply enlarging an outstanding issue in each case.

REPORTED INCREASE IN MONEY SUPPLY

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I believe the Minister of Finance would agree that the money supply and inflation are usually concomitants. I wonder if he has examined the last available weekly report of the Bank of Canada June 11th which indicates the largest increase, ($81 million), in the money supply shown for quite a long time. Would the minister indicate to the house today, or tomorrow after he has considered the matter, what relationship if any this has with the government's need for additional borrowings?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the matter to which the hon. gentleman refers—and I am making no comment confirmatory of his conclusion—has no bearing on the immediate borrowings of the government in the announcement which I made earlier today.

Mr. Benidickson: Oh, no.

Mr. Fleming (Eglinton): I may say, Mr. Speaker, and I think it will be a matter of gratification to the house, that conditions in this country have shown the steady improvement to which reference was made on an

earlier occasion, and our borrowing requirements this year are going to be substantially less than I indicated when I introduced the budget.

Mr. Benidickson: Tighter and tighter money.

TRANSPORTATION

ROYAL COMMISSION—REPORTED DELAY IN STAFF APPOINTMENT AND ITINERARY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. Did the Prime Minister read the story appearing in this morning's *Gazette* entitled "Railway Commission Running Out of Time", in which it is stated that if the royal commission is to do its job in time it should move with dispatch? Can the Prime Minister state if as reported the commission, one month after its appointment, has not yet appointed its staff or drawn up an itinerary for its hearings?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I read the article in question. As I said at the time the commission was set up, every dispatch was expected on the part of this commission in bringing in its report at the earliest possible date. I have the assurance of the chairman that everything is getting under way and that the general target date set at the time the commission was constituted will be met.

CIVIL DEFENCE

TORONTO—REPORTED THREAT TO DISBAND COMMITTEE

On the orders of the day:

Mr. M. D. Morton (Davenport): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Has the minister any comment to make on the statement made by the chairman of metropolitan Toronto that the metropolitan civil defence committee will disband on January 1 next unless further direction on the role of municipalities in civil defence has been given by the federal government?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for having given me notice of his intention to ask this question. I think it has always been clear that it rests with the provincial authorities to determine how civil defence functions and responsibilities left with them shall be allocated as between the province itself and its municipal governments. The reorganized structure at the federal level does not affect this arrangement in any way.

Inquiries of the Ministry

Following the Prime Minister's statement in the house of March 23, giving details of the reorganization plans we had in mind, a civil defence conference was held on April 24. At this meeting there was full discussion of provincial-municipal responsibilities.

I appreciate the interest of the metropolitan Toronto civil defence committee in maintaining the co-operation of their workers. It seems reasonable that they should carry on their training programs on the existing basis, even though certain of these might in due course become the responsibility of the Department of National Defence. Discussions on the federal changes are now taking place, but things are still in the transitional stage. However, in the near future—as I have said, perhaps when my estimates are before the house—I hope to be able to give a statement on the type of leadership this government is prepared to give in civil defence.

We have encouraged the municipalities at least to maintain their present standards by increasing the federal contribution on municipal projects from 50 to 75 per cent, and I trust their active interest in this field will continue.

Hon. Paul Martin (Essex East): May I ask a supplementary question. In view of my hon. friend's modest assertion of leadership in this field by the government, can he tell us whether or not that leadership is of such a character as to warrant the minister now giving us an unequivocal statement about the government's policy in the matters of shelter and evacuation?

Mr. Monteith (Perth): I have answered that question many times, I think as recently as one day last week. I have said that the matter of evacuation and shelter policy is being given prior consideration, and I think I indicated at that time that I would be very pleased to discuss the matter when my estimates are before the house.

Mr. Martin (Essex East): In view of the situation in Toronto and elsewhere throughout the country, does the minister not think further indication of this leadership is required?

Mr. Monteith (Perth): I have answered the question, Mr. Speaker.

Mr. H. W. Herridge (Kootenay West): I wish to direct a supplementary question to the Minister of National Health and Welfare on this same subject. Would the minister inform the house if provision is being made to assist fire brigades in unorganized communities that have been established for a good many years?

Mr. Monteith (Perth): I did not quite get the question.

Mr. Herridge: Is provision being made to assist local fire brigades in unorganized communities that have been established for a good many years?

Mr. Monteith (Perth): Mr. Speaker, I think this question is being considered at the municipal and provincial level.

NATIONAL REVENUE

REFERENCE TO BLUE BOOK RESPECTING PENSION PLANS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. I apologize for giving him such short notice. I was requested by two or three people shortly before coming into the house to ask the question because the subject is of general interest. Can the minister inform the house when the expurgated edition of the blue book of pension plans is likely to see the light of day.

Hon. George C. Nowlan (Minister of National Revenue): There is no expurgated edition of the blue book, because there never was an edition heretofore. A draft was prepared some three or four years ago but it never was published and never was used. I can tell my hon. friend that a draft has been prepared of the proposed blue book, and that it was handed to me last week. I have not had an opportunity to read it yet, but I hope to be able to do so within the next two or three days. In keeping with the assurance I gave the hon. member some weeks ago the tortoise will cross the blue line before the house rises, and I will be very happy to present a copy of the blue book to him.

Mr. Herridge: I wish to thank the minister. It will save me answering a lot of letters if it comes that way.

ST. LAWRENCE SEAWAY

FURTHER STATEMENT ON PASSAGE OF UNITED STATES NAVAL SHIPS

On the orders of the day:

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, questions have been asked in the house during the last few days concerning the passage of United States naval vessels through the Welland canal for celebrations in the upper lakes in connection with the opening of the seaway. As hon. members know, the problem has been that commercial traffic has exceeded expectations and from time to time has been delayed.

For some days friendly discussions have been going on between the two governments, and I am glad to be able to announce that it has now been agreed that only two of these naval vessels per day will be put through the canal on June 22, 23 and 24, and only three each day thereafter up to and including July 1. Furthermore, in some cases where three vessels go through they will be of such dimensions that the lockage required would be the equivalent of that for two of the larger vessels. If it should be found that the locks are not required on any of these days for commercial traffic, the passage of naval vessels will be accelerated. I might add that there has been excellent co-operation from the United States in working out this change of schedule.

BROADCASTING

SUGGESTED CHANGE IN TERMS OF REFERENCE OF COMMITTEE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of National Revenue if he will give consideration to proposing a change in the terms of reference of the committee on broadcasting in order to provide the premier of Ontario with an opportunity to air his grievance about his victory celebration.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I am sure if the committee makes any recommendation it will receive the attention which it deserves.

COAL

DOMINION COAL BOARD—STATEMENT ON SUGGESTED USE AS SALES AGENCY

On the orders of the day:

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, on June 11 the hon. member for Cape Breton North and Victoria asked the following question:

> Has the minister of mines given any consideration to the proposal by the united mine workers of America that the powers of the dominion coal board be enlarged so that it can act as a coal sales agency?

The answer is yes. This proposal was made to the chairman of the dominion coal board in writing and subsequently verbally by officers of the union. Subsequently the hon. members for Cape Breton North and Victoria and Cape Breton South waited upon me and urged that the government give this proposal most careful consideration. The government has considered the matter very carefully

and cannot accept the suggestion for various reasons, including the following:

(a) Apparently the coal board would be expected to sell the total production of the Nova Scotia mines at such price as could be obtained, whereas the corporation would carry on the operation of the mines and the government would have to make up the difference between the sales price and the cost of operations.

(b) The government would have no control over the cost of operation.

(c) The intervention of the government into the field of private enterprise for the benefit of one corporation would be an unprecedented development which could not be justified.

(d) The corporation has a well established sales force which works very closely in co-operation with the dominion coal board.

AGRICULTURE

BRITISH COLUMBIA—INQUIRY AS TO HANDLING OF 1959 RASPBERRY CROP

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): Mr. Speaker, in view of an article in the *Citizen* of June 11 indicating that the Fraser valley of British Columbia is the largest single commercial raspberry production region in Canada, I should like to inquire from the Minister of Agriculture what the plans are to handle the 1959 crop which will soon be ready to harvest. I understand that the stabilization board has dropped the price of government owned berries. What effect will this have on the 1959 crop?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, the present selling price for frozen raspberries held by the agricultural stabilization board is based on the price paid to growers plus processing charges for the 1958 production. The selling price should therefore not depress the market below the price at which berries were supported last year.

The preliminary estimate of raspberry production this year is somewhat lower than the 1958 production, and as yet there is no indication of the price levels at which the 1959 crop might be sold. Since any British Columbia production beyond domestic requirements usually moves to the United States market, developments in that country will have an important effect on the 1959 price level.

The stabilization board has not received any request to date for price support on the 1959 crop.

Inquiries of the Ministry

REQUEST FOR STATEMENT ON MEETING WITH WESTERN DELEGATION

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Prime Minister if, following his answer to the Leader of the Opposition on May 26 regarding the second delegation of western farmers, he is now, as head of the government, in a position to say whether or not the government has arrived at a policy pursuant to the request for deficiency payments on wheat, oats and barley made by the two delegations representing many thousands of farmers in western Canada?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there has been no decision made as yet with regard to this matter.

NATIONAL CAPITAL PLAN

REPORTED RESIGNATION OF CHAIRMAN OF COMMISSION

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, in view of news speculation over the week end concerning the chairman of the national capital commission, I should like to ask the Prime Minister if he will advise the house whether or not the chairman has resigned.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is no, nor has he communicated any suggestion of resignation.

EXTERNAL AFFAIRS

NATO—COMMUNICATIONS AND SUPPLY OF CANADIAN AIR SQUADRONS IN FRANCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of National Defence whether the movement of United States NATO fighters and fighter bomber aircraft out of France would have any effect on the communications and supply problems of the Canadian air squadrons in that country.

Hon. G. R. Pearkes (Minister of National Defence): The Canadian air squadrons receive the majority of their supplies through United States sources, but I understand that if—and this is still a hypothetical question —the United States fighters are moved out from France, the supply to Canadian fighter squadrons in France will still be assured.

PUBLIC SERVICE

CONTINUATION OF INCREASED PENSIONS FOR SUPERANNUATED CIVIL SERVANTS, ARMED FORCES PERSONNEL AND MOUNTED POLICE

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the adjustment of certain public service pensions to provide for increases, on a continuing basis, in certain pensions being paid to former civil servants, members of the armed forces, members of the Royal Canadian Mounted Police or their dependents; and to provide that the said increases shall be paid out of the consolidated revenue fund.

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

Mr. Fleming (Eglinton): Mr. Chairman, the purpose of this resolution is to provide on a statutory basis for increases in certain pensions to be paid former civil servants, members of the armed forces and the Royal Canadian Mounted Police or their dependants. Hon. members will recall that on July 28, 1958, I informed the house of the provision which the government proposed to recommend to parliament at the 1958 session to increase those pensions based on length of service where the recipients had been retired for a number of years. My review of the government's proposal can be found on pages 2757 to 2759 of 1958 *Hansard*. What I said on that occasion is equally applicable to the present resolution.

Subsequently increases effective July 1, 1958 in those pensions were authorized by vote No. 667 of Appropriation Act No. 5, 1958, which gave the governor in council the power to prescribe by regulation the terms and conditions under which those increases would be paid to the end of the fiscal year, March 31, 1959. While provision for those increases in respect of the fiscal year 1959-60 has been included in item 123 of the main estimates for the current fiscal year, yet, as indicated in the statement I made on July 28, 1958, the intention of the government was to introduce legislation at this session to provide continuing authority for those increases. As a result of order in council P.C. 1958-1366 of October 2, 1958, which was made pursuant to vote 667, increases in pensions have been paid in respect of the period since July 1, 1958.

During the fiscal year 1958-59 this measure benefited 15,425 cases in the groups of beneficiaries or their dependants which I mentioned earlier, to the extent of approximately $2,364,500.

I am pleased, Mr. Chairman, to say that the responses to the provision contained in the order in council have been very appreciative. I recall that the announcement which I had the honour of making on July 28, 1958 was well received in the house. The provisions of the bill to follow approval of this resolution are somewhat complicated, since they deal with pensions paid under several acts and involve these different pension formulae. As the bill goes into this matter in some detail, I shall not occupy the time of the house by elaborating further at this stage.

Mr. Richard (Ottawa East): Mr. Chairman, I welcome this resolution introduced by the Minister of Finance. This house, I believe, will agree entirely with the measure which was taken last year to give some relief to civil servants who had retired on pensions based on salaries which were scaled lower than those which exist now. I was hoping, Mr. Chairman, that the bill which will be introduced would modify some of the provisions which were contained in the order in council of October 2, 1958, to provide moneys for increases in civil servants' pensions. It has been the feeling of this house over some years that if and when this measure was introduced the purpose would be to establish at least a floor for civil service pensions which would enable them to have a good common way of living. If this resolution covers only last year's regulations, it will not in many cases improve the lot of the retired civil servant to the point of bringing his living standard up to that which is general these days.

I am not criticizing the basis of the resolution. However, I hope the Minister of Finance is acting in the light of the experience of the last few months; and by "the past few months" I mean those since July 1, 1958. Having found that the total cost to date has been relatively small, and in view of the fact that this resolution covers only a number of civil servants up to a certain number of years, and it is not an increasing number, I think he should make some effort to improve upon these regulations so that a greater number could benefit, and that the basis should be increased.

As I see it, this resolution will improve the lot of only those civil servants who retired prior to 1953. I must confess that I was guilty of thinking along the same lines. If someone were to refer to some of my speeches on this matter in earlier years they would find that I was also under the impression that provision for those who had retired up to 1953 would just about cover everything. Having seen some of the figures I now realize that this resolution could be extended to cover civil servants having retired up to 1957 and even 1958. I am hoping

that the bill may include some larger contribution and some greater benefits in the smaller pensions of retired civil servants.

This is only the resolution stage. Any information which may be required on the details I think can be obtained on the bill. Once again may I say that this is a welcome measure and that in this bill we hope the minister will do something more than was done last year.

Mr. Winch: Mr. Chairman, I can say that we in this group also welcome the introduction of the resolution which indicates that there is to be some legislation which will have a beneficial bearing on certain of the previous employees of government in varying aspects. It is not our intention at this time to have to have a great deal to say.

As the minister has already pointed out, the bill to be introduced will deal with a number of acts which are at present on the statute books. The resolution foretells of dealings with former civil servants, members of the armed forces and members of the Royal Canadian Mounted Police or their dependants. However, as a result of the indication that such a resolution and bill were going to be introduced, we have been making some investigations in connection with this matter. All we want to say at this moment is that in our estimation there are in the existing acts a great number of discrepancies which need to be resolved, especially with regard to long time employees who have been long time pensioners, and their widows. In particular we feel that there are some discrepancies of a serious nature which must be cleared away with regard to widows of long time pensioners, and that the time is long past when some consideration should have been given to them.

That is all we are going to say at this time. We welcome the resolution and we are looking forward to the bill itself. After we see the bill in all its details and particulars we shall then have more to say.

Mr. McIlraith: The resolution reads as follows:

> That it is expedient to introduce a measure respecting the adjustment of certain public service pensions to provide for increases, on a continuing basis, in certain pensions being paid to former civil servants, members of the armed forces, members of the Royal Canadian Mounted Police or their dependents; and to provide that the said increases shall be paid out of the consolidated revenue fund.

I take it that the whole point is that rather than provide for a change in what is being done for the pensioners at the moment the purpose of the resolution is to provide for it being done on a continuing basis rather than through the estimates. I am wholly in accord that provision be made on a continuing basis rather than on an annual basis.

Mr. Fleming (Eglinton): I may say that is precisely the purpose of the legislation. That was the undertaking I gave to the house last year.

Mr. McIlraith: That is as I understood the situation. From the minister's opening remarks I take it that in the legislation substantial changes are not contemplated from the provision now being made through the estimates. I have some things to say on that point. As the subject is complicated and there are different phases, by the very nature of it, it requires some working out in each particular case. I for one should like to see the bill. I am disposed to let the resolution stage pass so we may see the bill and, in order not to duplicate my questions to reserve them until the committee stage of the bill. I think that would be a more satisfactory procedure. I have one or two questions that I want to ask the minister at this stage, but I will ask them after any others who care to make general remarks have done so.

There is one feature of this matter that I think would indicate my feelings about it. Just, before I came into the house this afternoon, I was checking the resolution introduced by the former member for Fort William, Mr. McIvor, in the 1957 session. It will be found in the debates for December 16, 1957 at page 2420. That resolution is in terms remarkably similar to those of the present resolution introduced by the minister.

I spoke at some length on that occasion, and I think perhaps there is no need to repeat those remarks here. For some considerable number of years I have felt that hardship was being suffered by a considerable number of persons pensioned from the public service, whether under the Civil Service Superannuation Act, the mounted police act, or the other legislation, although I must say that the obvious answer can be given, namely "Why were you not able to get something done about it?" Be that as it may, that has been my feeling for a considerable number of years.

I am glad to see what is being done. I think it could be extended and improved. I will have more to say about that matter at a later stage when the measure is before the house. There are one or two things that require improvement over last year's regulations, even apart from the question of increasing the rates. There are certain parts that are, as I think experience has shown, inadequate.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Mr. McIlraith: Before it carries I should like to ask the minister this question. Can he tell us what is the anticipated expenditure under the new legislation?

Mr. Fleming (Eglinton): It is the amount contemplated in the item before the house in this year's estimates. In item 123 it is estimated for the present fiscal year to be $3,100,000.

Mr. McIlraith: Is that the same rate as last year, but allowing for the full year?

Mr. Fleming (Eglinton): Yes, that is correct. It is on the same basis, this time for a 12 month term.

Mr. McIlraith: So there are no new classes being brought under the legislation, and no increases in the rates of any of the classes there; is that right?

Mr. Fleming (Eglinton): Yes.

Mr. McIlraith: I want to raise some points on that, but I think that can be done when the clauses of the bill reach committee stage.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-60, respecting the adjustment of certain public service pensions.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to authorize the Canadian National Railway company to make capital expenditures in the year 1959 not exceeding $348,900,000 and to make certain capital expenditures and enter into certain contracts prior to July 1, 1960; to authorize the national company to issue securities to provide amounts required for the authorized expenditures; to provide that, except as expressly provided, the aggregate principal amount of securities outstanding at any time shall not exceed $289,900,000; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the Minister of Finance to make loans to the said company secured by such securities and not exceeding $289,900,000 in principal amount to enable the said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the national system.

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

Mr. Benidickson: Would the minister make a statement?

Mr. Fleming (Eglinton): Mr. Chairman, this is the annual resolution which precedes the introduction of the annual Canadian National Railways Financing and Guarantee Act. It follows the annual review by the special committee appointed by the house to review the statements of the Canadian National Railways, Canadian National (West Indies) Steamships Limited and Trans-Canada Air Lines. That committee sat in the first week of May. It will be recalled that the government was requested to defer the present resolution, or at least defer proceeding with it, and having acceded to this request, Mr. Chairman, it now becomes somewhat urgent that the legislation be quickly proceeded with because it is desirable that it should be completed before the end of this month, for reasons which will be obvious to all members.

Hon. members will be interested to know that in 1952 the form of this annual resolution was changed so as to include the financing of all capital expenditures, whether authorized in that act or in earlier financing and guarantee acts. This procedure has been followed again this year.

The bill to follow the approval of the resolution is divided into three specific parts. The first part is to authorize the Canadian National Railways to incur capital expenditures of up to $348,900,000. The second part authorizes the railway company to make capital expenditures prior to July 1, 1960, to discharge obligations incurred under this act which become due and payable after January 1, 1960 in the amount of $130 million. The third part authorizes the railway company to enter into contracts for the acquisition of new equipment and for general additions and betterments in the amount of $81 million.

To summarize, Mr. Chairman, parliament is being asked to approve financing, either by way of the issue of new securities guaranteed by the government or by way of direct loan, in the amount of $289,900,000. For the convenience of hon. members I would ask permission, Mr. Chairman, to place on *Hansard* at this point a table giving the details of this sum.

The Deputy Chairman: Has the hon. minister permission to place this table on *Hansard* at this point?

Some hon. Members: Agreed.

[*Editor's Note: The table above referred to follows:*]

Canadian National Railways

The amount of $289,900,000 appearing in clauses 4(3) and 6(2) is computed as follows:		
Road property	$172,295,000	
Branch line construction	10,141,000	
Hotels	3,568,000	
Equipment	88,480,000	
Investment in affiliated companies:		
Trans-Canada Air Lines financial requirements $57,000,000		
Others $17,416,000	74,416,000	
		$348,900,000
Less:		
Uncompleted work		38,000,000
		310,900,000
Add:		
Interim financing authority January 1 to June 30, 1960, on obligations incurred prior to January 1, 1960		130,000,000
		440,900,000
Less:		
Depreciation accruals and amortization of discount on funded debt, etc. in relation to calendar year 1959	101,000,000	
Depreciation accruals and amortization of discount on funded debt, etc. in relation to period January 1 to June 30, 1960	50,000,000	
		151,000,000
		$289,900,000

Mr. Fleming (Eglinton): I do not need to dwell, I am sure, on why it is necessary to make provision authorizing commitments to be made in the first six months of 1960. That follows the practice which has now become well established, and permits the railway to carry on its functions having regard to the normal time of the sitting of parliament and the pressure of parliamentary business, and to afford ample time in the session of next year for the house to appoint the committee which conducts the annual review of the affairs of the Canadian National system.

In addition to the features I have mentioned, this year's bill will provide, as did the bill of last year, for the appointment of the auditors of the Canadian National Railways for the year 1960, that is the calendar year 1960.

Mr. Benidickson: Are they different?

Mr. Fleming (Eglinton): Prior to 1955 the appointment was made by a special bill. As the appointment of auditors relates to the functions of the railway, it was felt appropriate to include it in the annual financing and guarantee act, and parliament has followed that practice since 1955.

Mr. Benidickson: Mr. Chairman, I was unavoidably absent on the day in the session of 1958 when this particular legislation came before the house, and in my other five or six years in this house I was on the other side and it was my duty, as assistant to the minister of finance, to pilot this legislation through. Probably I more ruefully appreciate now the predicament of the former financial critic, the hon. member for Greenwood, when speaking at this stage of the legislation, because I find there is not a figure which is referred to in the resolution before us that can be related to the evidence before the special parliamentary committee on railways and shipping without a great deal of ingenuity. I do not think the figures are there—

Mr. Fleming (Eglinton): May I say to my hon. friend that the figures which will appear in the bill—

Mr. Benidickson: Quite. I know that from experience.

Mr. Fleming (Eglinton): —accord with those—

Mr. Benidickson: Therefore I shall not refer to the matter now or disturb the Minister of Finance in this debate.

Mr. Fleming (Eglinton): They accord with those given to the committee and are to be found at page 215 and following of the proceedings of the special committee.

Mr. Benidickson: I was just going to come to the conclusion, Mr. Chairman, that it is very confusing to this committee of the whole,

which includes members like myself who did not serve on the railways and shipping committee, to find that there is no figure in the resolution before us that can be directly related to the printed evidence that the Minister of Finance has suggested is available in the committee *Hansard* of this session, on page 215 and following. But I know the Minister of Finance has, as I did in the past, with the consent of the committee tabled some additional information, and the particular paragraphs of the bill do, as it happens, tie themselves in with the evidence before the committee. But I do offer the suggestion from experience that those who draft resolutions of this type might look to ways and means of making it more possible for more than the 30 or more members who have given such great service on the special committee to see something in the resolution which ties in with the evidence that has been given before that committee.

I have looked at the resolution and it does in every respect, except for the figures, follow the pattern of resolutions in previous parliaments. I do, however, think it is appropriate for some of us to comment on certain of the factors which are presented to us at this stage. I was particularly impressed after reviewing, as a non-member, the very voluminous evidence of the railways, air lines and shipping committee in connection with several factors to which I wish to refer briefly. I hope that either at this stage or on second reading or in committee after second reading the Minister of Finance will comment on something which I regard as unusual, and I am referring to the bottom of page 3 of the financial report which the auditors of the C.N.R. made for the year 1958. Paragraph 2 says:

> The financial statements for 1958 indicate a deficit of $51.6 million which is the highest recorded deficit since 1938. As explained in the notes to the financial statement—

This is the reference to which I wish to direct the minister's attention. The auditor says:

> —on the suggestion of the Minister of Finance a different policy was adopted with respect to the obsolescence of steam locomotives.

All members of the committee may not have examined this balance sheet, but my complaint is this; that to those of us who are laymen it appears as though this figure of 7.1 or 7.2 in the balance sheet of 1957, re steam locomotive obsolescence translated to 1958 has been adjusted in such a way that the deficit of the C.N.R. for 1958 would have been greater to that extent than the figure reported in the press. In other words it would have increased the deficit of the Minister of Finance as announced in his budget speech by the same amount, had not, in the words of the auditor, a suggestion been made by the Minister of Finance for this $7 million-plus adjustment between the accounts of 1957 and 1958. I hope the Minister of Finance will, at a proper time during the discussion of this report, comment upon this point.

I should also like the minister to indicate to us in the same sequence, since this is a matter relating to capital works and capital requirements, the degree of success or otherwise which has attended the latest bond issue by means of which the C.N.R. is asking the public rather than the minister for funds in a substantial amount to enable the railway to carry out its responsibility. I hope the minister will give us full information on this subject.

I can remember when the hon. member for Greenwood, now Minister without Portfolio, used to have the function which I now have under our parliamentary system, that of examining the proposals of the government and, to the extent that he felt it was in the public interest, questioning some of them and in certain cases criticizing them even though they involved the affairs of a crown company.

I wish to refer to the auditors' statement. I am not knowledgeable about some of these matters which involve high finance, but I had the feeling after reading this report by an experienced international firm of auditors, that they were somewhat alarmed about the rapid growth in the bond indebtedness of this, the largest crown company we have, and in consequence the fixed charges that result from the type of capital borrowing which we are permitting if we approve the proposal which is now before us.

The auditors showed on page 4 of their report to parliament for 1958 that the fixed charges of this railroad—irrespective of the obligation of the government to buy a certain percentage of preferred stock each year, thus introducing new capital into this company, unlike a private company—as a result of this legislation and legislation introduced over the past four or five years and in many years under the previous administration, has resulted in an impost before a profit is earned of the difference between $25.4 million in 1952, after the reorganization of the system, and $46.5 million in 1958. The auditor, to quote his words, said this:

> It will be observed that during this period, fixed charges have come close to doubling and there was a particularly marked increase in the years 1957 and 1958, fixed charges going up $5.2 million in 1957 and $9.5 million in 1958.

I only want to draw the attention of the minister to the fact that there was no person in the House of Commons who did more to

create an atmosphere of doubt or caution in this respect than his colleague the hon. member for Greenwood, and I hope the Minister of Finance is keeping the debates of previous years in mind when he asks in this resolution for authorization of new capital expenditures not exceeding $348 million for 1959 which, in turn, will increase these fixed charges.

I hope, also, that the minister will give us a little more information concerning capital investment with respect to the trucking operations of the C.N.R. As I say, I did not have the benefit of being a member of the committee, although in the hurried way in which we do these things under the stress of the life we lead, I did peruse the evidence placed before the railways and shipping committee. As I read it I found that for the first time in many years the government's investment in stock of the C.N.R. has risen very substantially. I think the increase amounts to something in excess of $50 million. My closest investigation indicates that a substantial portion of that increase relates to the assumption of certain capital assets of the Hudson bay railway, but as this is a relatively new departure and certainly the greatest rise in government investment or transfer of investment from government back to the Canadian National Railways since 1952 I believe the minister should give us some explanation.

The figures I have indicate that this is a rise since 1952 of $52.9 million. I refer the minister to page 5 of the auditor's report. I have already indicated that the deficit for our largest crown company in 1958 was the largest deficit since 1938, a deficit of $51.6 million; and except for some bookkeeping, the reason for which I have not been properly persuaded, I suggest that this deficit would be an additional $730,000 or $740,000, and I hope the minister will inform us on this particular point.

I have indicated that I was not present in the committee the day this was debated in 1958, but I do not recall that we have ever had any difficulty debating general matters with respect to the Canadian National Railways and I feel it is quite proper at this time to ask the minister what is the present position of this government respecting railway pensions, because he ultimately would have this referred to him from the Minister of Transport. I ask what is the position of the present government, having in mind the long time attitude of the Prime Minister with respect to Canadian National Railways pension increases. I think this is all the more pertinent because of the resolution that was recently disposed of. There was no reference whatever in that resolution to the C.N.R. and I think we should hear from the minister in this respect.

I have in front of me four or five pages of *Hansard* references to speeches of the Prime Minister in past days as to what should and would be done if he had authority with respect to the enlargement of pensions for retired Canadian National Railways employees. As has been properly said, none of these things that come before us as a parliament could mean too much to us if we did not all have a pretty broad and large confidence in government policy with respect first of all to management and second with respect to the board of directors.

I am not familiar with some of the new directors who have been appointed by order in council by this government. I cast no aspersions upon them, but without any intimate knowledge of the individuals concerned the committee would surely understand that sitting as I do on this side I must have some doubt when I note that one of the replacements on the board was a defeated Conservative candidate and another was a campaign fund collector for the Conservative party. I am just hoping that the government is not looking on this organization, our largest crown company, as another Harrington lake private preserve. I hope that will not be the attitude of this government.

There are one hundred and some odd thousand employees of this railway. They are watching this government very carefully. I want to tell the Minister of Finance and his colleagues that they are very concerned about appointments of this kind to the board which directs the management of this tremendous corporation. I have looked up "Who's Who" as indicative of the achievements of the replacements recommended by this government. I am not going to delay the committee by giving that information. It has always been my view that anything as large as the Canadian National Railways should look very carefully at the manner of appointment of directors of its chief competitor, the Canadian Pacific Railway.

In this respect I find two faults. I am an amateur in this game of public finance and business, but as I look at it my first criticism, offhand, would be that the board of directors of the Canadian National Railways is too small. I think it is 6 or 7 compared with 25 or 26 on the board of directors of the Canadian Pacific Railway.

I speak of this with some personal knowledge, because I know five or six of the directors of the C.P.R. and three or four of those of the C.N.R. I do know that a C.P.R.

director takes his job seriously. He is connected with a great number of other corporations, and in consequence it is his labour to try and bring business, freight and everything else, to the benefit of his company. I am sure that C.N.R. directors now and in the past have a similar obligation in their minds, but I question whether or not the appointment of lawyers, investment dealers and the like—and I remind the committee that I am a lawyer—represents the appointment of adequate replacements.

Mr. Fleming (Eglinton): Mr. Chairman, would the hon. member permit a question?

Mr. Benidickson: Yes.

Mr. Fleming (Eglinton): Does he approve the reappointment by the present government of directors appointed by the former government whose terms have expired since we came into office?

Mr. Benidickson: Mr. Chairman, may I inquire who those members were?

Mr. Fleming (Eglinton): Mr. Wilfrid Gagnon and Mr. J. A. Northey.

Mr. Benidickson: Yes, I am familiar with the business connections of both those directors. They are good businessmen and have connections with a great number of business corporations in this country. They would likely develop and direct freight and business to the C.N.R. I refer in no disparaging terms to the former if not the present treasurer of the Conservative party, Mr. Bickle. I think it is an admirable thing that a man of his status would take on this public service job which I agree has to be done.

Mr. Martin (Essex East): When was he appointed?

Mr. Benidickson: I believe he was appointed for the C.N.R. board to replace another eminent businessman who had a great number of corporate connections across the country, Mr. Symington.

Mr. Martin (Essex East): Oh, one of the best.

Mr. Benidickson: I think that could be related, and I have no particular quarrel there. I am not sure, however, that a lawyer from Moncton who is listed in "Who's Who" as a publisher and general trusts executive is an adequate replacement for someone more active in maritime business. I think we should have had another labour man from Moncton. With respect to the western appointment I question whether a fuel dealer is a proper replacement for the president of a wheat pool, an industry which as everybody knows supplies the greatest amount of bulk traffic to the railway as a grain dealer in the west.

I repeat that there is a necessity for geographic representation on the board of directors. The board of directors is the same size as was approved by the previous administration I admit, but I am inclined to believe that the minister should advise his colleague the Minister of Transport to look for a little broader representation. I have no knowledge as to what a director of the C.N.R. is paid. I have never, outside a sense of smell with respect to the C.P.R., and that is all I have—the Postmaster General laughs but he is one of the first to use an advertising phrase of that nature.

Mr. Hamilton (Notre Dame de Grace): But we do not have such a thing as a sense of smell in advertising.

Mr. Benidickson: I am not at the moment making any scurrilous suggestions with relation to the word "smell". I am saying I have a concept or indication—

Mr. Hamilton (Notre Dame de Grace): A suspicion.

Mr. Benidickson: —from very few direct contacts with the directors of the C.P.R. I know three of them and I do not think I have seen any of the three more than once in the last five years. I have a feeling that they are real salesmen for their road, and I am simply urging, as I urged upon the former government, that we entice to the board of our nationally owned railway people who have a connection with business across Canada as well as others. I have referred to labour already. I made some inquiry about the replacement for a gentleman who was a close neighbour of mine when I was a boy and who was the labour representative on the C.N.R. board. I find that Mr. Daley was replaced by Mr. James Griffiths, assistant general chairman of the carmen of America. I think that is a very worth-while practice but there is one point about which I want to make sure. Mr. Daley was in the inner circle in that he was a member of the management committee of the board of directors which meets constantly in Montreal. I have forgotten the number of members of that committee but it is not more than five. Mr. Daley, representing labour, was for many years a member of that subsidiary but so important executive committee of the board of directors. Is Mr. Griffiths acting in the same capacity?

I want to direct the attention of the minister to one other matter at this point. We have

all become familiar with the effect of automation on the railways and I believe we are all acquainted with the fact that, combining the C.P.R. and the C.N.R., roughly 14,000 employees were displaced in 1958. This has a direct bearing on the kind of legislation we have before us now having to do with capital investment and replacement of old equipment with new that requires less labour. I want to say to the minister and the committee that we are constantly hearing from management of railroads not only in this country but in the United States about featherbedding. In presenting this legislation to us I hope that the minister has had a good look at the standard of efficiency in the operation of the railroad, having regard to the displacement of labour. I also hope he is looking behind the scenes and asking whether or not there have been similar reductions in the number of managerial and other staff in view of the fact that we are being asked to approve capital expenditures for the purpose of increasing efficiency. I hope that on second reading or later the minister will reply to some of these observations.

Mr. Winch: Mr. Chairman, every year the House of Commons has to deal with a resolution and bill similar to that now before us seeking the authority of parliament for capital or other expenditures running into hundreds of millions of dollars on the part of Canadian National Railways. Sometimes there are questions raised but the legislation is always passed and I think that is as it should be. However, personally I hope that the time is not too far in the future when it will not be necessary for the parliament of Canada to be asked to make these expenditures.

I am not going to make any charges whatsoever but naturally I am somewhat curious with respect to certain aspects of the operations of the Canadian National. I have not been a member of the special committee that deals with the Canadian National but I do have a keen interest in the operations of the railway. Canadian National Railways is a publicly owned system. In the past 26 years I have travelled from the Pacific coast to the Atlantic coast or from the Pacific coast to Ontario so often that I cannot possibly remember the number of times I have made the trip. My travelling has been both on the Canadian National and on the Canadian Pacific, and in making these long trips I have had a great many conversations with locomotive engineers, firemen, brakemen, passenger and freight conductors. These conversations have resulted in my present curiosity. I sincerely hope that either now or on second reading the Minister of Finance will answer certain questions I have in mind arising from my conversations over the past 26 years with the men who are on the job and also because of the number of letters I have received in the past week as a result of the publicity given to the hearings before the special committee of the house which investigated the Canadian National.

My main question is, what was the relationship and attitude of the previous government with respect to the C.N.R.? If the minister cannot answer that, what is the attitude and relationship of the present government with respect to the C.N.R. as a publicly owned system compared with the Canadian Pacific, a privately owned railway? Does the government support the morale of the employees of the publicly owned system? Is there any direction at all from the present government to the Canadian National to operate in the most efficient way it possibly can and do the best job it possibly can? I should like very much to have an answer to that because from what I have been told by C.N.R. employees there is either a peculiar situation on that railway involving direct or indirect sabotage or else there is not sufficient backing of the publicly owned company. I have yet to find a person operating trains on the Canadian National, locomotive engineers, firemen, freight conductors or passenger conductors who will not say that the Canadian National could beat the blazes out of the Canadian Pacific on time from the Pacific to the Atlantic. But, Mr. Chairman, the schedules make the running time of the Canadian National a little bit slower than that of the Canadian Pacific. Why is this so?

The Canadian National has not the steep grades of the privately owned line. Those who do the running say that they could beat the privately owned line by hours. We, the people, own the Canadian National so why do we not do what all the conductors, engineers and dispatchers say can be done? If what I am told by businessmen is correct, and I think it is, then speed is money in so far as transportation matters are concerned. Who sets the scheduled time of passenger and freight trains on the Canadian National? Why is it, especially with regard to the Rocky mountain section where there are practically no grades at all compared with the Canadian Pacific grades, that the freight situation is the way it is?

I say, Mr. Chairman, it is curious, and I hope the minister can tell us why that situation prevails, and whether or not there are any controls being placed upon the Canadian National to limit the time in which those trains, either passenger or freight, can traverse the country from ocean to ocean. I am

very glad the Postmaster General is here. I am not speaking of the past two or three years because I have made no check during that time, and I want that clearly understood. I do know that previous to that I have actually seen Her Majesty's mail being transferred from Canadian National trains to Canadian Pacific trains at the first junction point, and yet the Canadian National train would reach Vancouver three hours before the Canadian Pacific train to which the mail was transferred. I have actually seen that happen, but not within the last two or three years. Does that situation still apply, or does it apply in similar circumstances across our entire transcontinental system?

There are other questions that come to mind. We have just recently opened a $11 million post office in Vancouver. Well over $1 million, I know, must have been spent on the tunnel from the post office to the Canadian Pacific station—it might well be $2 million, including equipment. Is there any reason why no tunnel was constructed to the Canadian National and Great Northern station, the Canadian National carries mail across Canada and the Great Northern to the United States? Is there any reason why there is only a tunnel to the Canadian Pacific station and not to the Canadian National? There are many questions. The Canadian National, I believe, is known as one of the greatest transportation systems in the world. We are certain it could be a lot better, so why is it not allowed to improve?

I have travelled Canadian Pacific for the last few trips I have made between Vancouver and Ottawa. It is amazing, Mr. Chairman, when you get into a discussion with travellers who have travelled on both lines to hear them say they will only travel by Canadian Pacific. I usually ask them why, and they will say that the Canadian Pacific has the dome cars and the Canadian National has not. Why, in the competition for passenger traffic and with far less tunnels than the Canadian Pacific has, has the Canadian National not the modern equipment? I am told that the Canadian National is losing out on passenger traffic because they have not the equipment. The Canadian National would not have to spend anywhere near the money on tunnel changes that the Canadian Pacific has, and yet they have not the type of equipment that the privately owned line has.

Is it deliberate? Is there any influence brought to bear or is it poor management? There must be answers somewhere to these questions which are posed to me either directly in conversation or by correspondence. I do not know the answers. All I do know is that year after year we have to vote hundreds of millions of dollars for the Canadian National. There is no objection at all. Could the amount be reduced by greater efficiency? Could the amount be reduced by a speedier service? Could the amount be reduced if the Canadian National were permitted to operate on an absolutely competitive basis? All the information and evidence I have would lead me to believe that it could.

I hope that the minister, either now or on second reading, will make clear the policy and attitude of this government toward the operation of the Canadian National. Are they allowed a free hand in competition? Are they allowed a free hand on service and on equipment? As soon as the minister can give us answers to these questions, then we will know where to place the responsibility, either upon the government or on the management of the Canadian National.

Mr. Chevrier: Mr. Chairman, I have no intention of delaying this resolution unduly. There are, however, a number of points that I should like to bring to the attention of the committee and of the government as well. They arise, not only out of the statement made by the minister but out of other extraneous matters, some of which have been dealt by my colleague the hon. member for Kenora-Rainy River.

I have listened with interest to the speech which has just been made by the hon. member for Vancouver East. Not being on the other side of the house any longer, I have no intention of stating what the policy of the former administration was with reference to directing or not directing the affairs of Canadian National Railways. The minister, I am sure, will be able to give the position of the government if he chooses to reply to the query made by the hon. member.

However, I rose to deal with a number of other matters. In making his introductory statement the minister said that the bill divided itself into three parts. First, the bill authorizes the C.N.R. to incur an expenditure up to $348 million. Next, it authorizes the C.N.R. to make expenditures prior to July 1, 1960 in an amount of $130 million. Third, it authorizes the C.N.R. to enter into contracts for new equipment in the amount of $81 million, I believe. This information prompts me to discuss a matter which I have already brought to the attention of the government and which arises out of the establishment of the royal commission on transportation.

While no indication has yet been given by the Prime Minister or by the Minister of Transport as to the likelihood of the royal commission inquiring into certain aspects of the operation of the Canadian National Railways other than the broad terms of reference

which have already been announced, it seems to me that some consideration ought to be given to that matter. It seems to me that, because of the position in which Canadian National Railways finds itself at the moment, active consideration ought to be given by the government, not to going into the whole financial aspect of the railway but at least to going into some of the aspects which fall to be determined by a royal commission of this nature on transportation.

I can think of a number of matters to which consideration might be given. It seems to me that the commission might well look at the C.N.R. finances; I refer to the overall capitalization. My friend the hon. member for Kenora-Rainy River spoke about the deficit position and the increase in certain costs such as fixed assets. He drew the attention of the committee to the fact that over a period of years these costs have gone up considerably because of inflation, increase in the costs of materials, increase in the cost of equipment itself and also the dieselization program of the C.N.R. It also seems to me that the commission might well look into the terms under which the government capital should be provided.

I also wonder whether the time has not arrived to examine into the whole question of the financing of Canadian National Railways and to take another look at the capital structure of Canadian National Railways. As the committee knows, this was done in part by the former royal commission on transportation which made a substantive recommendation having to do with the recapitalization of the C.N.R., which recommendation was later implemented by the then government.

Is it necessary to give consideration to a matter of this kind at this time? I believe it is necessary. I do not think the minister will disagree with what I am saying, at least in its broad aspects. Again I want to make it clear that it is not possible to make a study of matters which have been entrusted to the royal commission and to go into the whole matter of the financing of the Canadian National Railways. However, I think there are aspects which might well be studied within the broad terms of the commission's reference.

May I now pass to another matter. The minister said that this bill deals with the appointment of auditors for the Canadian National Railways. I must say to him that I view with concern the appointment of an auditor for the year 1960 other than the firm which has given such excellent service to the Canadian National Railways over a period of years. I view it with concern for more than one reason. In the first place, I am informed —and I believe this to be so—that the present auditors, George A. Touche and Company were not given notice that they were to be replaced by another firm. In the second place, I view this matter with concern because it was my experience when I sat on the other side of the house that the operations of the Canadian National Railways are such that they are to be found not only from one end of this country to the other but also in the United States as well. The Canadian National Railways have always argued that it is difficult if not impossible for an auditor to do the kind of job that should be done unless that auditor has subsidiaries or branches in the United States as well as in the large cities of Canada.

George A. Touche and Company have such subsidiaries. The Canadian Naional Railways operates a number of lines in the United States and, I need hardly add, lines in every part of Canada. The auditor who has been appointed for the year 1960—and I say this without wanting to reflect on him personally in the slightest degree—is, as the minister knows, a former defeated candidate of the Progressive Conservative party in one of the Montreal ridings. I do not want to pursue the matter unduly but I fear—and I shall have something to say about this subject a little bit later on—the danger of introducing politics into a railway of this magnitude.

I come back again to the point of the importance of and the necessity for an auditor of a crown corporation such as the Canadian National Railways having offices in the various regions of Canada, particularly a crown corporation with assets such as those possessed by the Canadian National Railways which include railways, airlines—I take it that the appointment of the auditors for 1960 also covers Trans-Canada Air Lines; if I am mistaken I stand to be corrected—telecommunications, transportation facilities, hotels; all of which, added up, come to many hundreds of millions of dollars; I believe the amount is well over $3 billion. Those are substantial assets. It would seem to me that the person who is going to audit such a corporation should at least have had some experience in that field. George A. Touche and Company have had a great deal of experience. I can remember that on another occasion many years ago, when there was a change of government there was also a change of auditors. On that occasion—and now I speak, of course, only from memory—the firm appointed was one which had offices all over the country and also in the United States.

Mr. Benidickson: They have international connections.

Mr. Chevrier: That is extremely important for a crown corporation such as the Canadian National Railways.

I deprecate also, Mr. Chairman, the appointment of some of the members of the board of directors of the Canadian National Railways. Again I do not want to reflect on the person of any of these individuals, but I do feel it is a mistake when on a board of this importance men seem to be appointed rather because of their political affiliations than because of their business competence or business connections. I refer now to the successor to Mr. Ralph Brenan. I would like to put on the record a portion of an editorial which appeared in the *Fundy Fisherman* of January 28, 1959. The editorial is entitled, "Name Political Leader to C.N.R. Board", and reads as follows:

There will be widespread concern throughout the Atlantic region at the replacement of Ralph B. Brenan, one of the region's most outstanding business leaders, as director of the Canadian National Railways. It is well known that the difficulties of the C.N.R. are very great and require the most experienced management to surmount. Mr. Brenan brought to the board of management gifts of understanding of regional problems that are widely recognized as being of exceptional calibre.

The announcement from the office of Hon. George Hees, Minister of Transport, said that Mr. Brenan's term of office has expired. His replacement, W. Gerald Stewart, Q.C., is a past president of the New Brunswick Progressive Conservative Association.

Mr. Benidickson: And a defeated Conservative candidate.

Mr. Chevrier: I continue:

It has long been recognized that there should be a minimum of political weight given to appointments to a board of directors such as the C.N.R. and that business management qualifications are of paramount concern. The great seaports of Halifax and Saint John, faced with growing difficulties, had, in Mr. Brenan, a representative on the board thoroughly intimate with the problems of freight movements as they affect ocean shipping. His place will be difficult to fill.

Then I come to the final part of this editorial:

In the loss of the services, guidance and knowledge of Ralph B. Brenan, the C.N.R. has been given a severe blow. In a time of economic recession when the most efficient and capable management and direction is important, it is particularly unfortunate that his outstanding business ability is lost to a public board of such importance to the well-being of the Atlantic region.

Saint John citizens, who have for many years intimately known Mr. Brenan's exceptional gifts as a community leader and selfless devotion to public duties, will especially regret that his services are no longer available to an organization which is so important in many ways to the seaport.

Those are not my views; those are the views of this newspaper.

Then there is another appointment which has been made to replace that of Mr. Parker from the province of Manitoba. The minister also will correct me if I am wrong in this respect. My information is that the person who has succeeded Mr. Parker has far more information and is far more competent in affairs concerning the Canadian Pacific Railway Company than in those concerning the Canadian National.

Mr. Benidickson: Mr. Chairman, may I ask the hon. gentleman a question. Mr. Parker was president of the Manitoba wheat pool and he is still available?

Mr. Chevrier: Yes, I understand that is the case, Mr. Chairman. However, this appointment has been made to succeed that of Mr. Parker's. If that is the case, as I have indicated, then I believe that that is not a good thing for the adequate operation of the Canadian National Railways.

There are a number of other matters that I might go into, but I desire to mention but one, and that has to do with the lay-offs on the Canadian National Railways. Unfortunately I am not in a position to place the facts on the record concerning that because we have not been given the information in that respect that I think we should have had. It was the practice of the former administration when asked questions of this nature to place on *Hansard* on orders of the day or on other occasions the position in so far as the C.N.R. lay-offs were concerned. I remember when I occupied a position on the other side that I was taken to task on more than one occasion by the then hon. member for Winnipeg North Centre because of the lay-offs which took place from time to time, and they were not nearly as great or substantial as they have been during the course of the years 1958 and 1959. As I say, I was taken to task because of lay-offs arising out of the information that I gave on the orders of the day.

But we have not been furnished such information. Questions have remained unanswered, or questions have been answered by indicating that the information could be obtained in committee. This information was not obtained in committee. Nonetheless, it seems to me that it should have been given in the house. The fact is that we have not received a comprehensive up to date statement about the lay-offs on the Canadian National Railways although we know that they are pretty substantial. It would seem to me, that before this bill passes the minister should give some indication of what these are.

There are, I am informed, employees of the Canadian National Railways having in some cases seniority of 35 and 40 years who have been laid off. Is there any reason for

this? Is it because the freight and passenger business of the Canadian National Railways has declined to the point where it has been necessary to do this? If that is the case, then I think the minister should give a full and frank statement of what the position is in all the regions of Canada, and then we will know the answer to that question.

I desire at this time to bring these points to the attention of the committee because I feel that before this measure passes they should be given consideration not only by the government but also by the minister who speaks for the government on this occasion.

Mr. Bell (Saint John-Albert): Mr. Chairman, may I ask the hon. member a question. Does the hon. member know that Mr. Brenan, who he referred to as being replaced by Mr. Stewart, has been a treasurer of the Liberal party in the Saint John area for some time now? I do not mean to suggest that he is not a good citizen, but—

Mr. Benidickson: I suggested the other good citizen was Mr. E. W. Bickle, the former national treasurer of the Conservative party.

Mr. Chevrier: Mr. Chairman, I would like to answer the hon. member's question. The information I have put on record is that Mr. W. Gerald Stewart, Q.C., is a past president of the New Brunswick Progressive Conservative association.

Mr. Benidickson: And he is a lawyer.

Mr. Carter: Mr. Chairman, there is one problem in connection with the operation of the Canadian National Railways in Newfoundland which I should like to bring to the attention of the minister at this time, and through him to his colleagues in the government. The railway service in Newfoundland is different, I think, from that in the other provinces in that it serves both inland and coastal settlements. The coastal settlements are served by coastal boats which are operated by the railway. In addition, the railway operates ships which transfer freight from mainland ports to ports in Newfoundland.

The problem I wish to describe to the minister is one which concerns freight claims. If an accident happens to a train, and goods in transit are damaged or lost the person to whom the goods are consigned can submit a claim, and that claim may be recognized and paid. If a ship transporting goods for the C.N.R. from mainland ports to Newfoundland ports runs ashore or meets with an accident, the same process is followed—the person to whom the freight is consigned can submit a claim and obtain compensation in respect of damaged or lost goods. But the people in the coastal regions who are served by coastal boats do not have this privilege. A person who loses freight or whose goods are damaged because a coastal boat runs ashore or meets with an accident cannot obtain satisfaction of a claim for loss or damage, the reason being that these coastal boats operated by the C.N.R. are exempted by the water carrier act. Because of these circumstances there is discrimination between people who live inland and people who live on the coast and who are served by the same company. It seems to me that the answer is to have the coastal boats excluded from the terms of the Water Carriage of Goods Act in this respect, and I would ask the minister to look into this matter and see if something can be done about it.

Mr. Fleming (Eglinton): Mr. Chairman, a number of the hon. members who have spoken this afternoon have asked questions which are perfectly proper questions to ask on this matter. But a number of questions have been asked which pertain to the operation of the Canadian National railway system. As to the latter, I must say that the government does not operate the system, and with regard to any such questions all that any minister of the government can say—and all that the government ever does say—is that it will submit the questions to the management of the C.N.R. That is all I can do with respect to questions pertaining to operations.

In addition, we heard some rather surprising statements made here this afternoon. I had not expected hon. members opposite to be introducing personal considerations with respect to distinguished men who are giving worthy public service on the board of directors of the Canadian National Railways.

Mr. Chevrier: There was nothing personal.

Mr. Fleming (Eglinton): I must say I deplore that being done. I do not recall that it has ever been done on previous occasions.

Mr. Chevrier: I rise on a point of order. I made it quite clear in my remarks that there was nothing of a personal character intended, and it was quite clear, also, from the remarks of my hon. friend the member for Kenora-Rainy River that his remarks were not of a personal nature either. So I do not believe the minister should pursue that angle any longer.

Mr. Fleming (Eglinton): The hon. gentleman was not the only one who spoke. But he was the one who used an expression about "the danger of introducing politics" into the Canadian National system, and I wish to say to him that there is nothing in what he said, or in what has occurred, which would justify such personal assertions.

Mr. Benidickson: Why so many defeated candidates?

Mr. Fleming (Eglinton): That is an interesting question from the hon. member from Kenora-Rainy River. If his assertion is that anyone who is a defeated candidate or who has at any time been a defeated candidate is unfit to hold public office, then I think he is introducing something which will, on reflection, occur to him as being a dangerous principle, because there are quite a few people in the government service who have at one time or another been unsuccessful candidates. What is sauce for the goose must be sauce for the gander. I presume the hon. member would reconcile that situation with what he said by insisting that he was only referring to those who were defeated Conservative candidates.

Mr. Benidickson: No, I am referring to the biggest crown corporation—the C.N.R.

Mr. Fleming (Eglinton): Apparently it is all right if those who preceded us appointed their defeated candidates to public office, but it becomes all wrong when the present government appoints to public office distinguished and worthy citizens who happen to be defeated candidates—

Mr. Benidickson: A point of order. The minister has asserted that the previous government appointed former defeated candidates. Who were they?

Mr. Fleming (Eglinton): I could mention a considerable number.

Mr. Benidickson: To the C.N.R.? That is what I am talking about.

Mr. Fleming (Eglinton): I am speaking about government appointments in general. Surely, if the principle is good it must be a sound principle of general application. I do not hold with the principle just put forward by hon. members opposite. I do not think the fact that a man has been a candidate for public office—whether he has been successful or unsuccessful in obtaining it—is any disqualification for public service.

Mr. Benidickson: I agree.

Mr. Fleming (Eglinton): If he has the proper qualifications for public service, surely his candidature should not be allowed to stand in his way, regardless of the party whose candidate he was. If this applies in the case of one party I think hon. members opposite should be fair enough to recognize that it applies to persons who have been political candidates for parties other than their own.

Mr. Benidickson: It has been too conspicuous in this one big crown company.

[Mr. Fleming (Eglinton).]

Mr. Fleming (Eglinton): Let me make it clear that there have been four or five vacancies which have occurred in the ordinary course on the board of the C.N.R. since this present government came to office two years ago. I referred, in my question to the hon. member for Kenora-Rainy River, to two members of that board who had been reappointed by the present government. I note that the hon. member has no fault to find with those reappointments, but when the present government appoints others he has fault to find at once.

Mr. Benidickson: Just alarmed and worried.

Mr. Fleming (Eglinton): Let me say that the government considers these new appointments to be of men of high accomplishment and seasoned experience who are capable of making a notable contribution to the direction of the affairs of the Canadian National system as members of the board of directors. I think we have been fortunate in the quality of the men we have been able to appoint to the board.

Mr. Benidickson: Can I ask the minister a question? Would he just describe the past connections of these men that might be translated into business for the C.N.R., or their experience other than being a lawyer or an investment dealer?

Mr. Fleming (Eglinton): You will note that that question comes from the side of the house that disclaims any idea of introducing personal considerations into this question. Here we are asked to sit down and rake over the whole personal story of every one of our appointees, and yet we are told: Oh no, this is not prompted by any personal consideration.

The present set-up of the C.N.R. with a seven-man board was devised by the former government. We have made no change in that. It was decided by the former government, supported by the hon. member for Kenora-Rainy River, that it should be small rather than a large board.

Mr. Benidickson: In that, perhaps I was wrong.

Mr. Fleming (Eglinton): The present government did away with the commission form of management of the C.N.R. in favour of a small board of directors. We have made no change in that respect whatever. I expect in the light of what we have heard this afternoon that if we had enlarged the board of directors we would have been told that we had enlarged it for the purpose of appointing Conservatives to it. We have made no change whatever but have left the board precisely as it was.

The board has been set up from the beginning on a different basis from that of the board of directors of the Canadian Pacific railway for reasons the hon. member for Kenora-Rainy River recognized in his remarks this afternoon. The nature of appointments has been different because of the difference in the size of the board and the fact that in one case you have a private corporation and in the other a public corporation. Those whom we have been fortunate enough to enlist in the public service by accepting appointments to the board of directors of the Canadian National Railways are highly fit and qualified men who will give important and valued service on the board of directors of the C.N.R. system. The same applies to the other appointment which was mentioned and which can more properly be discussed on the bill.

Let me now deal with a point raised by the hon. member for Laurier who spoke about the present royal commission and suggested that it ought to examine as well the capitalization of the Canadian National Railways system. I would recall to his mind that the royal commission is a commission on railway freight rates and the scope of the commission does not include inquiry into the capitalization of the C.N.R. system. May I remind him, however, of the fact—

Mr. Chevrier: The terms of reference are pretty broad.

Mr. Fleming (Eglinton): Yes. I speak subject to correction but it had not occurred to me that the terms of reference contained any provision that would include under any of the paragraphs an inquiry into the capitalization of the national system.

Mr. Chevrier: Mr. Chairman, perhaps the minister would permit a question at this stage. My recollection is that a portion of it had to deal with railway transportation and the effect on railway transportation. I do not have the terms before me. That is why it struck me, however, that perhaps it would be possible to give consideration to some aspects of railway financing.

Mr. Fleming (Eglinton): I remind the committee, Mr. Chairman, that under the present financial provisions inscribed in the statute of this parliament the C.N.R. sells to the Minister of Finance each year preferred stock equivalent to 3 per cent of the gross earnings of the railway. Last year that involved a purchase on the part of the Minister of Finance of $21 million of the 4 per cent preferred stock of the corporation and this year it will involve a purchase by the Minister of Finance of $22.7 million of that preferred stock.

Mr. Benidickson: Is that realistic?

Mr. Fleming (Eglinton): That is what the statute requires.

Mr. Benidickson: I know; introduced by the former government.

Mr. Fleming (Eglinton): Yes. That is what we are following obediently. That is the will of parliament.

Mr. Benidickson: You have taken no decision to change it?

Mr. Fleming (Eglinton): This bill makes no provision in this respect and no other legislation on this subject has been indicated for the present session.

Let me quickly run through the other points raised by hon. members who asked for information. The hon. member for Vancouver East asked about the schedules of operation. This is entirely a matter within the power of the management of the Canadian National Railways system. It would be intolerable if the government or parliament interfered and told the C.N.R. system in detail how it should operate the trains or whether a transcontinental train should cut half an hour off its running time. It is obvious that this is clearly a matter falling within the scope of management and it would be highly improper for the government to interfere in the details of operations of that kind.

As to raising questions of this nature may I point out to the hon. member that that is the function and purpose that is served by the appointment annually of the special committee of the house because there hon. members, including at least one member from his own party, attended and asked a great many questions about operations. If he did not ask this question then perhaps the hon. member could put it on the list of questions to be asked the next time the officials of the system come before a parliamentary committee for questioning.

I was asked by the hon. member for Kenora-Rainy River concerning the increase in the government investment in the national system. Here may I point out that apart from several small items the increase in the capital investment by the government of Canada is accounted for by two large items. The first is the investment in the Hudson Bay railway which has been transferred to Canadian government railways; the amount is $34,682,534.80.

Mr. Benidickson: That was under the present minister's regime?

Mr. Fleming (Eglinton): Yes, in 1958. The next item is the investment in the northwest communications system which was transferred to the Canadian National Railways; the amount is $17,833,075.52.

Mr. Benidickson: Had there been any similar increase in the previous five years?

Mr. Fleming (Eglinton): I will make inquiries on that subject, Mr. Chairman.

A question was asked about the C.N.R. loan. I thought I had reported in the house already on this. On May 15 last the Canadian National Railways issued $150 million of 5 per cent bonds. These were duly sold, being $60 million of 1968 maturity and $90 million of 1977 maturity.

Mr. Benidickson: Mr. Chairman, I believe I inquired about the effective rate.

Mr. Fleming (Eglinton): There was a 5 per cent coupon. The 1968 maturity was sold at $98.75 to yield about 5.18 per cent. The 1977 maturity was sold at $98 to yield approximately 5.17 per cent to maturity.

Mr. Benidickson: Would the minister permit a question at this time. I recall from my experience that when dealing with the large annual financial volume of requirement for the C.N.R. it has been customary for the government to underwrite it until such time as the bond market seemed to be propitious for the Canadian National Railways to go itself into the normal courses of the investment field for funds on a longer term. What would be the position at the moment with respect to the requirements contemplated in this bill which I believe the resolution says are approximately $348 million? What would be the picture for the next twelve months if the C.N.R. could not go into the financial market and get it own bonds on a long term basis? What are we really committing ourselves to in approving of this capital expenditure in so far as interest rates are concerned?

The other question I have in mind is this. To whom would the minister or alternatively to whom would the C.N.R. apply for getting these large amounts of capital funds? I think it is relevant now because we have to consider the present market. I did not feel the minister answered me very properly this afternoon when I gave to him the benefit of what was admittedly my own arithmetic after looking at the offer the minister had made for a new $200 million government of Canada loan requirement. What would the position be in connection with these capital requirements of the C.N.R.? Is it correct that if they needed money for only nine months and if they had a nominal interest rate on the bonds at 2¾ per cent and they were sold at a 2 point discount, anybody paying a 50 per cent income tax rate would find that that would be equivalent to 8.2 per cent compared with a par offering for nine months for the same amount of money?

[Mr. Fleming (Eglinton).]

Mr. Fleming (Eglinton): Obviously the hon. gentleman is wandering far from the subject matter before us and from the real purport of the inquiry he directed to me. He knows quite well, I am sure, that Canadian National Railways borrow money from the Minister of Finance.

Mr. Benidickson: If they cannot get it from the public.

Mr. Fleming (Eglinton): This has been the practice for a long time. It certainly was the practice before we came into office because when we came into office we found that Canadian National Railways had borrowed from my predecessor as minister of finance—I speak now subject to correction as to the amount—something like $300 million. That was the indebtedness of Canadian National Railways to the former minister of finance when we came into office two years ago. That is the position. The first place of borrowing by Canadian National Railways is from the Minister of Finance, and periodically the company goes into the market to borrow money there by an issue of bonds guaranteed by the government. Canadian National Railways went into the market with the largest issue of bonds in its history in January 1958—

Mr. Martin (Essex East): Three hundred million dollars.

Mr. Fleming (Eglinton): —and recently, as I have indicated, went in for another issue.

Mr. Benidickson: Another big one.

Mr. Fleming (Eglinton): The hon. member asked me what the rate would be for the next 12 months. I cannot predict the rate, Mr. Chairman. If I were able to do that I would be able to do something that I am sure nobody in Canada professes to be able to do at this moment.

Mr. Benidickson: May I assure the minister—

Mr. Fleming (Eglinton): May I continue, Mr. Chairman? I am trying to answer.

Mr. Benidickson: Would the minister allow me to ask a question—

Mr. Fleming (Eglinton): May I finish what I am saying?

Mr. Benidickson: —in this context, may I say that the minister was probably justified—

Some hon. Members: Order.

Mr. Benidickson: —in interpreting my remarks in the way he did. What I said was, would he confirm to this committee that if funds were not available outside—

The Deputy Chairman: Order. If the hon. member for Kenora-Rainy River wishes to ask a question, perhaps he will wait until the minister has finished.

Mr. Fleming (Eglinton): The hon. member asked that question before, in fact, several questions, and I am endeavouring to answer them. If I may continue, the hon. member will hear such answer as I am able to give him. It may not be the one he wishes but it will be such as I am able to give him.

This is the practice that has been followed. It is the practice that is in effect at the present time. What the bill will do will be to follow the usual provisions that have been in effect now for many years governing the financing operations of Canadian National Railways in this respect.

The next question I was asked by the hon. member for Kenora-Rainy River was in relation to trucking operations on the part of Canadian National Railways. I draw his attention to page 69 of the proceedings of the committee on railways, air lines and shipping owned and controlled by the government for May 4 where he will see that subject reviewed by the president of Canadian National Railways. He indicated on that page the circumstances under which the management proposes to enter on a trucking operation, saying that they needed to do so to be able to maintain their competitive position. If the hon. member will look further at page 221 of the proceedings he will see the amount given there in the statement tabled by the president of Canadian National Railways, Mr. Donald Gordon.

Mr. Benidickson: Was it $15 million?

Mr. Fleming (Eglinton): It is $15 million for investment in capital stock of Canadian National Transportation Limited.

The final matter on which hon. members asked me questions concerned a difference in relation to a bookkeeping item amounting to something over $7 million. This also was discussed in the committee. The hon. member for Laurier raised it there. The hon. member for Kenora-Rainy River will find it dealt with at pages 195 and 196 of the committees proceedings. The hon. member for Laurier introduced it at some considerable length and Mr. Gordon made the following comment on it:

> This whole affair arose out of a difference of opinion between technicians, in a sense. Our accountants—

Mr. Benidickson: You advised this. Are you the technician?

Mr. Fleming (Eglinton): No, Mr. Chairman. If the hon. member will wait until I have read the whole answer I think it will be quite clear to whom Mr. Gordon refers.

> This whole affair arose out of a difference between technicians, in a sense. Our accountants, supported by our legal department, felt that the entry for depreciation, as you have described it, was the proper way to handle this. When the matter reached the Minister of Finance, in terms of its being an item which should add to our deficit for that year, he took the position that it was not a proper entry as contemplated by the legislation. As I say, there was a difference of opinion. That difference of opinion was referred to the Department of Justice, and the Department of Justice gave a legal ruling, supporting the position of the Minister of Finance. In the light of that, there was nothing else we could do, and there was nothing else the Minister of Finance could do, because the ruling was given in the terms of an interpretation of the legislation that existed.

Mr. Benidickson: With respect to the concluding remarks of the Minister of Finance, probably I should not have interrupted him with some vehemence, but does he recall that I quoted a very authoritative source saying that he was the one who advised this change? I do not find that there is too much departure in the evidence he has just read to the committee from page 195.

Mr. Fleming (Eglinton): I can clarify that if there is anything further to be added. When this matter came to my attention it was quite clear what the views of Canadian National Railways were, but we are not necessarily bound by them. My accounting advisers took the opposite view and in view of the difference of opinion the matter was referred to the Department of Justice for a ruling with the result that Mr. Gordon indicated in his testimony to the committee.

Mr. Benidickson: If the Department of Justice had not so ruled, the deficit as reported to the house in April would have been more than $7 million larger than was reported?

Mr. Fleming (Eglinton): That is the approximate figure. I think it was just over $7 million.

Mr. Martin (Essex East): There are a few questions I should like to ask. My hon. friend has referred to the fact that the C.N.R. has two methods of financing its operations. One is by direct loan from the government of Canada and the other by borrowings from the Canadian people. He has referred to an issue of $150 million on May 15, I think it was, and I believe the rate of interest was 5 per cent. Is that the correct rate of interest?

Mr. Fleming (Eglinton): That is correct. That was the coupon rate on both maturities.

Mr. Martin (Essex East): Are these loans from the public undertaken by the C.N.R. the result of agreement on the part of the government or the Minister of Finance?

Mr. Fleming (Eglinton): What kind of agreement?

Mr. Martin (Essex East): Does the Minister of Finance concur in the decision to make a public borrowing?

Mr. Fleming (Eglinton): The timing of the issues by Canadian National Railways is, of course, a matter for prior discussion between the management of the national system and the Minister of Finance because the Minister of Finance is required, pursuant to legislation contained in this type of bill, to guarantee the issue.

Mr. Martin (Essex East): That is what I thought. Would I be correct in saying that one of the reasons for the decision to have this borrowing of $150 million undertaken was the failure of the $300 million issue that came out in January of 1958, I believe?

Mr. Fleming (Eglinton): Mr. Chairman, it is entirely wrong for the hon. member to suggest there was any failure in connection with that January, 1958 loan. It was a very successful loan and was oversubscribed.

Mr. Benidickson: The Bank of Canada report says it was accompanied by softness in its relationship with the commercial banks.

Mr. Fleming (Eglinton): The loan was substantially oversubscribed. We were very pleased with the result of this offer of Canadian National bonds.

Mr. Martin (Essex East): The Minister of Finance says that this was a very successful loan, and he will of course recall that it had very considerable difficulty at the outset.

Mr. Fleming (Eglinton): No.

Mr. Martin (Essex East): The minister says, no; I think he will find that is the case. The governor of the Bank of Canada, at page 24 of his report, said that it involved initially a large increase in bank loans to security dealers, which is another way of saying that the loan did not meet with immediate public response. Certainly, the fact that a year later these bonds had a market value of between 85 and 89 is an indication of their reception and also of the state of the bond market at that time.

Mr. Fleming (Eglinton): Not at that time, no.

Mr. Martin (Essex East): A year later, I said, these bonds were worth around 85 or 89.

One of the reasons suggested for the investment of some of the trust funds of the unemployment insurance commission in this particular Canadian National 4 per cent bond issue of $300 million was to encourage the public to participate in this borrowing which I say was not, in spite of what the minister says, a success at the beginning. What I want to ask the minister is this: Did the unemployment insurance commission investment committee decide to invest $15 million in what I say was, at the outset, an unsuccessful issue or certainly an issue that was not readily responded to, with the minister's knowledge? Was the minister aware of the decision to make this investment by the unemployment insurance investment committee, of which the governor of the Bank of Canada acts as chairman?

Mr. Fleming (Eglinton): The hon. member is entirely wrong in the statements that he is making. He keeps on talking about the reception of the loan. The reception of the loan in January, 1958 was most cordial. I might say that the loan was very heavily oversubscribed. It was almost a record oversubscription, and that on the largest loan ever offered by Canadian National Railways.

Now, if the hon. gentleman talks about any drop in the quoted market value of bonds since then, he could take other examples as well and he could compare them as I had occasion to do not many weeks ago in this house. There was a substantial drop in the market value of all kinds of government bonds in this country in the years 1955-1957, bigger drops than have occurred since.

Mr. Benidickson: Not like the one now!

Mr. Fleming (Eglinton): Yes. I shall be glad to go back and put those on the record again if it gives any comfort to hon. members to contemplate this subject.

But I come to the question asked by the hon. member. The Minister of Finance does not stand peering over the shoulders of the investment committee of the unemployment insurance commission to supervise, day by day, their financial transactions. These are highly competent men, I am sure the best available for this very important service. Whatever investment they made at that time I am sure was the kind of investment that would have been advised by any other competent person under the circumstances existing then.

Mr. Martin (Essex East): No one quarrels with the competence of the governor of the Bank of Canada or the members of the investment committee of the unemployment insurance commission.

Mr. Benidickson: If the minister does not look over their shoulders.

Mr. Martin (Essex East): The question of their competence only beclouds the issue. I say again that this loan had great difficulty in getting under way, and the decision of the investment committee of the unemployment insurance commission to invest trust funds, largely the contributions of workers and employers in this country, was taken at a time when this issue was having the difficulty which I have mentioned, and which the minister denies but I think the fact will support what I am saying, as indeed does the report from the governor of the Bank of Canada which I have read.

Mr. Fleming (Eglinton): He is referring to the after market, which is a different thing altogether.

Mr. Martin (Essex East): I also referred to the after market. A year later the value of the bonds was between 85 and 89. It will be seen that the market value of the issue, almost from the date of issue, was one of diminishing value. I do not have the exact figures before me, I wish I had. I think it will be found that within six months the value was at a figure that was comparable to the highest quoted figure of 89 which I mentioned a while ago.

What I am trying to get from the minister is this: Was the minister aware that the investment committee, including his own deputy minister and the governor of the Bank of Canada, had decided to invest some of the unemployment insurance funds in this particular issue? Was that decision taken with the minister's knowledge, with his concurrence and with his advice? I am not now criticizing him if that was done, but I want to find out.

Mr. Fleming (Eglinton): With great respect, that has no relevancy whatever to the measure before us. The hon. member seems to think we have already reached a later item announced for today's business, namely the bill to amend the Unemployment Insurance Act. His question has no relationship whatever to the present measure.

Mr. Martin (Essex East): My friend says this has no relationship. We are now discussing the financing of the Canadian National Railways. The minister has referred to an issue of $300 million in January, 1958, and that is the issue about which I am talking. It bore an interest rate of 4 per cent maturing on February 1, 1981. It is interesting to compare this issue with the subsequent issue of May 1959, in the amount of $150 million which, incidentally, had a maturing date four years earlier in 1977.

If my hon. friend is suggesting that we cannot discuss this particular issue under this item to ascertain what was in the government's mind when it allowed trust funds to be invested in this particular issue, then I have no appreciation of the value of order in this committee. It is because I feel I am on sound ground that I ask the minister now to tell us whether or not he, as Minister of Finance, approved of the decision of the unemployment insurance investment committee to participate in this issue?

The Deputy Chairman: Order; questions regarding the financing of the bonds are in order, but questions as to who purchased the bonds, in my opinion, have nothing to do with this resolution.

Mr. Martin (Essex East): With great respect, sir, I would ask you to reconsider what you have just said. Here is the government of Canada, represented by the Minister of Finance who has to deal with these things as the minister of government responsible for the financial operations of this crown corporation, whose operations are dependent upon direct loans from the government of Canada and the Canadian public. Surely one is entitled to ask whether another arm or another division in the government of Canada made an investment in this particular issue with the knowledge and concurrence of the Minister of Finance.

If that procedure is not in order, Mr. Chairman, then I am not following the rules of the House of Commons. The Minister of Finance, of course, says that is the case. I know you will appreciate that this is an important matter. This is one involving not only an issue offered the Canadian people but at the same time an issue that was helped along its difficult way by investment from funds supplied by two segments of the Canadian people. All I am asking the Minister of Finance is that he tell the committee, if that investment was made respecting this $300 million issue which he approved, with his knowledge and concurrence.

The Deputy Chairman: Order. As I mentioned previously, I feel that is a question to be asked at another time.

Mr. Martin (Essex East): I hope the Minister of Finance will be here.

The Deputy Chairman: I do not think that at this time we should go into the question of who bought every bond.

Mr. Benidickson: I should like to speak to the point of order, Mr. Chairman. At this point we are involved in $338 million of capital financing for the C.N.R. as referred to in the resolution on the order paper to which the minister has attached his name and which we are now debating. I want to refer

Your Honour to the annual report of the C.N.R. which indicates in detail the kind of financing that has been necessary in relation to these capital funds. The hon. member for Essex East has said that the Minister of Finance under certain circumstances in relation to the C.N.R. is obligated to give his opinion about certain matters related to the investment arena. I think that this is an extremely important matter, namely whether the Minister of Finance did or did not advise the C.N.R. that it would be better, for these capital expenditures last year and now in relation to next year, to go to the market or to rely on him and his policy in respect of government financing.

The Deputy Chairman: That was not the point I was discussing. I was discussing the point whether or not the minister had caused the unemployment commission to buy those bonds. The reply was that we were not dealing with the question of who purchased the bonds. That was the only point I was making.

Mr. Chevrier: On that point, if I may be allowed to say a word, I should like to say this. The resolution as well as the bill deals with an issue of C.N.R. bonds. In fact, although I have not the notes which I took—

The Deputy Chairman: I realize that fact. I am not saying anything about that matter. The question arose whether or not the minister should say whether he allowed the unemployment commission to buy those bonds. I said that this resolution is not concerned with the individual purchasers of the bonds but that it is just concerned with the sale of the bonds; that to whom the bonds went was not the concern of this committee: that we were concerned with what it cost to raise this money, whether we raised the money and whether or not we raised it in the ordinary way. That is the point.

Mr. Chevrier: I am not going to pursue the matter further. I think that the point made by the hon. member for Essex East was well taken. But since Your Honour has ruled on the matter—

The Deputy Chairman: It might be raised in another committee.

Mr. Martin (Essex East): I hope that Your Honour wil be presiding over the committee and that the Minister of Finance will be here.

Mr. Chevrier: I should like to pursue another matter and to bring to the attention of the minister, if I may—and I hope he will follow me—the terms of reference of the royal commission on transportation was made earlier. In his announcement the Prime Minister made it quite clear that it was a commission dealing with railway transportation. He went on to give the terms of reference which were more particularly itemized as follows. I am not going into them all but we find amongst other things the following:

> (b) the obligations and limitations imposed upon the railways by law for reasons of public policy, . . .
> (c) the possibilities of achieving more economical and efficient railway transportation;

And this is the one to which I direct attention.

> (d) whether and to what extent the Railway Act should specify what assets and earnings of railway companies in businesses and investment other than railways should be taken into account in establishing freight rates; and
> (e) such other related matters as the commissioners consider pertinent or relevant to the specific or general scope of the inquiry.

It struck me that within all these specific and broad general terms one might well go into some of the financial aspects of the C.N.R.

Mr. Fleming (Eglinton): It will, of course, be a matter for interpretation on the part of the members of the royal commission itself as to what are the meaning and the scope of the terms of the order in council binding them which the hon. member has read. I had not thought those terms included an inquiry into the internal capitalization of the Canadian National Railways. I think there will be no advantage to be gained in my making any further comment on this subject except to say that, while I cannot speak for my colleague the Minister of Transport, I have received no representations on this subject of revision of the capitalization of the system or inquiry into that subject. That is not to say that others may not have received representations. However, I have not received any.

Mr. Chevrier: Does the minister not think that this might be an opportunity for consideration? It is not only a question of representation by the Minister of Transport. I doubt whether he has made any. I presume he has not done so. The Canadian National Railways may well have done so. I do not know whether or not that is the case. If there is a point in what I have brought to the attention of the committee—and I believe there is, and other hon. members agree—does the minister not think that this matter might well be given consideration?

Mr. Fleming (Eglinton): I doubt whether I am the person to whom to put that question. I would just add this one observation. I would think it would be regrettable if more subjects were added to those already assigned to the royal commission with the result that

such additions might have the effect of delaying the report on this urgent question of the whole basis of establishing railway freight rates in Canada.

Mr. Benidickson: I think it should be recognized that the minister may probably not be up to date on the views of the Minister of Transport with respect to approval of a new pension plan for retired employees of the C.N.R. But having sat in the house for the same length time as I have—and I have been here since 1945—I think the Minister of Finance has listened, as have I, to the views of the Prime Minister with regard to the necessity for or the desirability of enlarging the pensions of the C.N.R. employees previously retired. I imagine that in the last two years no scheme of this kind—and we have gone more than two years since this government has come into office—or no proposal of this nature would come to the government without reference to the man who must find the money to pay for it, namely the Minister of Finance. I therefore wonder whether the minister would make a comment about the possibility of adhering to the recommendations that were made by the Prime Minister when he sat in opposition with regard to the desirability of augmenting pensions for retired C.N.R. employees.

Mr. Fleming (Eglinton): I know that representations have been made on this subject occasionally, I think largely by individuals and perhaps by some organizations. The matter has been given study but no decision has been reached on it yet.

Mr. Benidickson: I was astounded to hear the minister say, with two years cabinet experience, that these representations had been made by individuals only and perhaps by some few organizations. If I may be permitted to do so, I might indicate the national nature of the representations that are available to the minister. I thought he rather confessed the fact that he had not seen anything except the odd letter or individual representations. They have come to a great number of members of parliament on a provincial and national basis.

Mr. Fleming (Eglinton): I was speaking of those which have come to my attention in the past two years.

Mr. Carter: Mr. Chairman, I would like to say a further word concerning the problem which I raised earlier today on the resolution. I was trying to be brief and not take up unnecessarily the time of the committee, but perhaps I did not make myself clear, because the minister indicated in reply that it was a problem of operation and that all he could do was to pass it along to the management of the Canadian National Railways. The problem which I described is not a problem of management at all, and there is no point whatever in passing it along to management, because there is nothing whatever they can do to remedy this situation. Whatever action is to be taken must be taken by the government.

The minister will recall that at the time of confederation the railway property and the coastal boats were the property of the Newfoundland government. On confederation the ownership of that property was vested in the government of Canada; it is not the property of the Canadian National Railways at all. The government of Canada appointed the Canadian National Railways as their agent in operating the facilities and they laid down certain conditions under which that operation would be carried out. One of the conditions was that the ships carrying freight across the gulf from mainland ports in Nova Scotia to the Newfoundland terminal would be regarded as a continuation of the Canadian National Railways. It was because of that condition that when any of these ships have an accident compensation for any losses or damaged goods can be claimed by the people to whom the goods are consigned. We had a case like that a year or two ago when the gulf ferry the *Cabot Strait* ran ashore near Port aux Basques with a considerable loss of freight in addition to a lot of other goods which were damaged. The people to whom those goods were consigned were able to claim their losses from and get paid by the Canadian National Railways.

The Canadian National Railways has nothing whatever to do with the operation of the water carriers act. That is an act of this government, and any change must be made by the government.

The Deputy Chairman: Order. I think the hon. member has answered his own question and is not talking on the resolution now. This is strictly a financial resolution. I think the hon. member's questions are more a transport matter than a financial matter, and I cannot see how they refer to capital expenditures.

Mr. Carter: Mr. Chairman, if by a decision of the federal government the ships which ply across the gulf are considered to be a continuation of the Canadian National Railways, surely it is logical that the coastal boats should be put into the same category and that they too should be considered a part of the Canadian National Railways. Then in that case people who lose goods on one ship operated by the railway will be treated in the same way as people who

lose goods on another ship operated by the same company in the same service. That is all I am asking and it is government action, not C.N.R. management action, that can remedy the situation.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-61, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for the period from the 1st day of January, 1959 to the 30th day of June, 1960, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Motion agreed to and bill read the first time.

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO EXTEND OPERATIONS, PROVIDE FOR MAXIMUM GUARANTEE OF BANK LOANS, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Farm Improvement Loans Act to extend its operations for a further period commencing on the 1st day of April, 1959 and ending on the 30th day of June, 1962; to provide that the maximum amount of bank loans made in the new period and guaranteed under the Act shall be three hundred million dollars; to provide further for certain changes in connection with the administration of the act.

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

Mr. Fleming (Eglinton): Mr. Chairman, the purpose of this resolution is to permit the introduction of a bill to extend the Farm Improvement Loans Act for a further lending period and to amend the act in certain other respects.

This legislation was originally enacted in 1944 and came into force on March 1, 1945. The act was designed to encourage the granting by banks of intermediate and short term credit to farmers for the improvement and development of farms and for the improvement of living conditions thereon. The purposes for which farmers may obtain loans are many and varied and include loans to assist in financing the purchase of agricultural implements, livestock, agricultural equipment, farm electric systems and irrigation systems and to assist in financing the construction or alteration of farm buildings and improvements or developments of a farm, such as fencing, drainage, irrigating, breaking, and similar projects.

These loans are made by the chartered banks under a guarantee provided by this legislation. The government's liability to a bank is limited to 10 per cent of the aggregate principal amount of guaranteed farm improvement loans made by a bank during a lending period. This liability has also been limited to a total lent by all banks during a lending period of $300 million. The maximum amount of a farm improvement loan is presently set at $5,000 and the interest rate is five per cent simple interest. Repayment terms of loans are for varying periods up to 10 years, depending upon the amount borrowed and the purpose for which the loan was obtained.

Loans under the act during 1958 totalled 70,278 in number and $90,539,743 in amount borrowed. This represents an increase in lending of approximately $20 million over the amount lent during each of the preceding three years. Repayments during the year amounted to $76,946,506.

As I have indicated, lending during 1958 was substantially larger than in each of the preceding three years, and for the months of January, February and March, 1959, a further increase has occurred over the corresponding period in 1958. In these three months the sum of $14,707,086 was borrowed in 1959 as against $10,436,991 in the same period in 1958. This represents an increase of almost 41 per cent over last year, so that lending during 1959 may be expected to reach a record volume.

Since the inception of the act to December 31, 1958, that is to say 15 years ago, a total of 723,675 loans have been granted for $813,499,097. Repayment of loans to December 31, 1958 amounts to $675,433,667, which is approximately 83 per cent of the amount borrowed. Accumulated losses under the guarantee since inception of the lending to December 31, 1958 amount to $835,772, of which $60,614 has been recovered. Therefore the loss ratio on $813 million lent is less than one-tenth of one per cent.

The figures give some indication of the credit service which has been rendered to Canadian agriculture through this legislation. The credit has been available and utilized in all provinces, and for the information of the committee I might place on the record a table indicating the extent of the lending by provinces for the years 1957 and 1958. It might meet the convenience of hon. members if it were incorporated in *Hansard* at this point in my remarks.

The Deputy Chairman: Has the hon. minister the permission of the committee to include this material in *Hansard* as described?

Some hon. Members: Agreed.

(Editor's Note: The table above referred to follows:)

LOANS CLASSIFIED BY PROVINCES

	1958		1957		% Increase or Decrease		Total 1945–1958	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
		$		$				$
Saskatchewan	16,077	19,766,505.08	13,581	15,856,982.66	+18.4	+24.6	210,591	242,206,106.10
Alberta	17,335	21,793,131.39	14,257	16,923,731.79	+21.6	+28.8	197,186	217,430,807.70
Ontario	12,796	17,735,159.66	10,438	13,043,018.40	+22.7	+36.0	108,799	125,138,156.00
Manitoba	7,164	8,876,186.28	6,117	7,104,417.26	+17.1	+24.9	88,036	94,691,324.11
Quebec	12,187	16,442,747.46	9,631	11,862,445.24	+26.5	+38.6	71,733	84,880,794.32
British Columbia	1,892	2,653,165.25	1,597	1,990,218.64	+18.4	+33.3	20,888	23,100,770.61
Prince Edward Island	1,127	1,265,038.45	961	1,047,519.72	+17.3	+20.8	11,184	10,608,375.09
Nova Scotia	871	989,452.12	779	852,780.28	+11.8	+16.0	8,126	7,623,552.67
New Brunswick	783	946,602.45	577	688,202.46	+35.7	+37.5	6,781	7,376,254.97
Newfoundland	46	71,755.84	50	58,557.49	− 8.0	+22.5	351	442,955.74
TOTALS	70,278	90,539,743.98	57,988	69,427,873.94	+21.2	+30.4	723,675	813,499,097.31

Farm Improvement Loans Act

Mr. Fleming (Eglinton): It will be noted that there has been an average increase in the amount lent in all provinces of 30.4 per cent in 1958 over 1957.

Specifically, the purpose of the present resolution is to permit the introduction of a bill to amend the Farm Improvement Loans Act in order to achieve the following objectives:

1. To include beekeepers as qualified borrowers under the act. At present it is not possible for persons who have a principal occupation of beekeeping to obtain loans under the act. It is felt that lending should be made available for such persons.

2. To increase the maximum loan allowable under the act to $7,500. This is considered warranted by reason of the additional capital requirements for farming in this mechanized age. The present limit on any one loan is $5,000. A loan of $7,500 would, of course, be beyond the repayment ability of the average farmer over a four-year term, but the increased amount could be utilized by banks in the case of large operators.

3. To extend the provisions of the act for a further lending period. Lending since inception has been done within certain lending periods and the latest of such periods expired March 31, 1959. It is proposed to have the new lending period extend from April 1, 1959 to June 30, 1962. Although most lending periods have been for exactly three years in the past the proposed expiry date of the new period would make it possible to amend the act to set up a new period at a more appropriate time than is the case when a period ends March 31st. Although the latest lending period under the act terminated on March 31 last, I might say that the lending operations have been continued by the banks on my undertaking to introduce the present measure at this session.

4. To limit the liability of the government under the guarantee to a maximum of $300 million which may be lent by all banks collectively during the new lending period. As I have mentioned previously, the contingent liability of the government with respect to the lending was limited, in the lending period which recently ended, to a total of $300 million lent by all banks. That is to say, the liability is based on 10 per cent of the lending of each individual chartered bank up to a total lent by all banks of $300 million. In the period from April 1, 1956 to March 31, 1959 there was approximately $240 million lent by all the banks and consequently it is felt that the $300 million figure is likely to be adequate for the servicing of this credit for the period proposed, namely from April 1, 1959 to June 30, 1962.

[Mr. Fleming (Eglinton).]

Mr. Benidickson: I think the committee generally will welcome the announcement of the minister. I was particularly pleased to hear the tributes which the hon. gentleman paid to this particular statute, the Farm Improvement Loans Act. This was one of the many statutes which were made available or which were created after the war to take care of the economic transition which was expected to take place at that time.

Unfortunately, members of the committee have not available too much information. I do not say that this is a new situation. The last time we were asked to amend the act in 1956 we were asked to do so for another expiry date, and legislation was introduced in March of that year, 1956, when there was more excuse for not having available to the House of Commons the latest report for the calendar year. I find that my remarks must be somewhat limited by the fact that the latest report available to members of the House of Commons is the report for loans made under the act for 1957.

Mr. Fleming (Eglinton): I think the hon. gentleman must be mistaken. The 1958 report has been printed, and I have a copy in my hand.

Mr. Benidickson: I can assure the minister that having received notice on June 8 of his intention to proceed with this matter I made the usual inquiries, not directly, but through my secretary; no, I did so directly, and I was informed by the distribution office that the 1958 report was not available or, certainly, was not available as of last Thursday.

Mr. Fleming (Eglinton): I am surprised. I think there must be some mistake.

Mr. Herridge: May I say that I had exactly the same experience. I have a copy of the 1957 report, and I was told that this was the last report available for distribution.

Mr. Benidickson: As soon as I was told that this matter would come up for debate I endeavoured, as any hon. member would, to obtain a copy of the last available annual report. I found that in my personal files I had only a report for the calendar year ended December 31, 1957. I remember an experience of this kind last year with respect to the Canadian Farm Loan Act. Maybe we were derelict in the past, when the Liberals were on the government side, but I want to be fair. I want to say that any minister introducing legislation of this kind, certainly when it is legislation contemplated in the speech from the throne, should do his utmost to make sure that the report of the operations of the crown agency concerned should be the most

up to date possible. I have looked into this, and I want to assure the minister that when the amendment of this particular statute came up in 1956 the House of Commons did not have available to them the 1955 report.

However, I would point out that it was indicated in the speech from the throne, in January this year that this present subject would arise this session, and there is a substantial difference, I suggest, between the situation in 1956 and the situation before us at the present time in that the resolution amending the statute in 1956 was introduced three months earlier in the year than the amending legislation at this time. I think that in the circumstances, in courtesy to the house and to avoid, perhaps, the necessity in some instances of asking that reference be made to a parliamentary committee, an up-to-date report should be available to members before legislation of this kind is introduced.

The minister knows—and I am not scolding him for this—that in addition he will be including in his bill a request that the house approve retroactively this new term of three years, because the last term expired on March 31 of this year. This was known to the government. It was enunciated in the speech from the throne, and there is very little excuse for this kind of discourtesy, shall I say, to members of the opposition. Information of this kind is available to the government. It is available to the minister, and I hope when subsequent amendments of this sort come before us other hon. members will remember that if there is some information in annual reports they will hurry up the presentation of annual reports to the House of Commons even though in this instance the statute does not state a particular time when annual reports must be presented.

Mr. Fleming (Eglinton): Would my hon. friend permit me to say that since he began speaking I made inquiries of my officials. I was sure that the 1958 report had been tabled. The officials to whom I directed the inquiry while my hon. friend was speaking tell me that the 1958 report was tabled and distributed in both languages some time ago. There may be some mistake at the distribution office. If there has been, I am sorry about that and I will certainly be glad to see that hon. members receive copies at once if there has been any misdirection in this respect. I am assured by my officials that the report was tabled and distributed.

Mr. Benidickson: I accept what the minister has said and I know he will accept my word when I say that on Thursday I personally inquired at the distribution office—and I am supported in this by the hon. member for Kootenay West—and it was not available. I can't now understand why. I do not want to delay the committee but I have dates concerning the distribution of this report in previous years. The report for the calendar year 1955 was tabled on June 8, 1956. The report for the calendar year 1956 was tabled on October 23, 1957. The report for 1957 which is the last available to us debating this as I know now was tabled last year on July 22. I do not complain too much except to say that when an act is likely to be amended as specified in the speech from the throne a special effort should be made to have copies of reports made available to hon. members. They should have the last available statistics before them. Knowing that this might happen I personally asked some questions about the 1958 results and they appear on page 750 of *Hansard* for this year. I am not going to refer to them. I know there will be others who will want to speak to this and we are now within five minutes of the dinner adjournment.

The other point I want to emphasize is in my opinion a very serious one. I invite him to look at the wording of the resolution. I have looked at it and compared it with the resolution when the last amendments were proposed to the house in 1956. I will agree there is very little difference in wording. I have not checked newspapers to find whether there is any difference in actual effect or end result. I complain very seriously to the minister and the government about the vagueness of the resolution when details have been released to the press. Only last night I read an article in the Winnipeg *Free Press* of June 10 in which reference was made to some particulars of the bill we are going to discuss on second reading. Reference is made to the fact that there is likely to be an increase in the maximum loan under which the government would guarantee the banks, and reference is made to beekeepers and some other things. I know the difficulty of keeping security in some of these matters. The minister has been a member of the House of Commons for as long as I have been and he has been in opposition longer. I know he has great respect for the necessity of maintaining some security in these matters. I hope he will ensure in future that information will not be available to the press when it is not included in the resolution and when he has not yet made an announcement in this chamber.

Mr. Fleming (Eglinton): Mr. Chairman, I assure my hon. friend I am not aware where the Winnipeg *Free Press* got the information which they appear to have published.

Mr. Benidickson: That I can imagine, Mr. Chairman. I am simply asking the minister and those of his ministerial colleagues who are in the house—not many of them are here—who subsequently will be introducing legislation of this kind not to be vague in wording resolutions if they allow their officials to give details to the press that are not contained in the resolution between the time a resolution is placed on the order paper and the time it is debated in the house. The date of the press release in question is June 10, 1959. How strange it is to compare the speech of the minister given before mine with the press release I have in my hand in which it is stated that individual farm loans may be boosted from a maximum of $5,000 to $7,500, that the rate of interest will remain unchanged at 5 per cent, and that beekeepers are to be included, et cetera. I am not criticizing the minister. I know that he and his colleagues will rectify this for future debates. I know the minister will agree that it is a most incongruous position to be in when you prepare for a debate at the resolution stage and the resolution is vague but details are announced in the press. The ministry wants the debate at the resolution stage to be not very lengthy. They hope that on second reading the major debate will take place. If information is given to the press and the facts are published, we have to anticipate debate on second reading and make our comments at this stage.

I think the committee will welcome the information given in this resolution. I reassert that having regard to the announcement made on January 15 through the mouth of the governor general to the effect that this would be done, this legislation has come before us in inadequate form and so late that the government has had to insert a clause in the bill that will follow to make it retroactive to March 31.

Mr. Herridge: Mr. Chairman, may I call it six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Herridge: Mr. Chairman, the members of this group are very pleased to support this legislation which provides for the continuation of a very sound and what proved to be useful act. I must thank the minister for giving us a copy of the 1958 report which I understand failed to get into our hands through a mistake on the part of one of the officials. We must not be too concerned about that because we all make mistakes, as Mary said when she kissed the cow. But I must say that like the hon. member for Kenora-Rainy River, I take some exception to the details of legislation appearing in the press before they are presented to the house.

Mr. Fleming (Eglinton): May I tell my hon. friend that I share that feeling very strongly.

Mr. Herridge: I am quite sure the minister does. I quite understand that it makes a member feel foolish on occasion when, on account of these articles in the press containing details of legislation to come before the house, people make inquiries and you have to reply and say that you have no knowledge of the legislation. I am quite sure there has been a mistake on someone's part.

I feel more at home with this type of legislation, Mr. Chairman, than I do with legislation dealing with bonds in respect of Canadian National Railways. I have had very little experience with bonds but as a country man who has aimed to make his living from the soil for over 50 years I have had a lot of experience with various aspects of farming and with farmers. I have known some most interesting farmers. I know their history in our district which includes a great deal of privation and hard work in the early days as well as hard work today. That reminds me of a story. Some years ago an old gentleman came to me in great distress and wanted me to lend him the services of a chap who was working for us at the time. He said, "You know, Mary has let me down." Mary was 86. "You know," he said, "she absolutely has gone balky. She refuses to climb those 20 foot ladders and pick apples any more." He was a very prominent member of the Conservative party.

However, Mr. Chairman, I must say I never deal with this type of legislation without seeing in my mind's eye the application of this act. I have seen farmers in my district building new houses and other buildings or repairing houses and buildings. I have seen them looking at livestock they have purchased as a result of having taken advantage of the act. I have seen them clearing and breaking land as a result of loans under the act. I have seen them building irrigation and water systems, draining fields, doing fencing. I have seen them able to secure new implements. That is why I say this is very sound legislation, and the record of its administration, the record of collections and the record of the benefits bestowed through the provision of short or intermediate credit prove that this is the type of legislation

that produces, shall I say, unusual results from the amount of government expenditure. It is government support behind the legislation that makes its application so much easier and so much more widespread.

I do want to say that in my experience those administering the act have received excellent co-operation from the local bank managers. I know of several cases where bank managers have gone out to the farms and have done their best to explain the working of the act and to assist the farmers in arranging credit. I think we should give credit where it is due because this type of legislation would not be successful unless everyone concerned from the administration to the bank managers, including the farmers themselves, co-operated to make it successful.

I notice in the annual report that by far the greater percentage of loans are obtained in the three prairie provinces and Ontario and Quebec. I presume that in the prairie provinces the large figure is brought about by the heavy investment in farm machinery. I am of the opinion that the farmers of British Columbia could make better use of the act that they have in the past, and while the local bank managers carry the literature and wherever possible do what they can to advise the farmers of the terms of the act and its value to them, I think a little more could be done to contact the farmers' organizations directly. Quite frequently I meet farmers who seem completely ignorant of the terms of the act. Many of them are under the impression that it is only for the building or improving of houses and the building or improving of other buildings. I think something more could be done in co-operation with the farmers' organizations to bring about even greater utilization of the act than occurs at the present time. I make that suggestion.

I presume the amendments are the result of the experience of the administration, representations from the farmers' organizations and also some consultation with the banks because it is from experience at the local bank level that deficiencies in the legislation would come to light in the first instance. When the minister was speaking he mentioned four particular amendments, the first one being to include beekeepers. I could never understand why beekeepers were excluded from the original act. I presume it was one of those oversights that occurred because we usually think of farmers in other terms. I am very glad to see that amendment is going to be made in the bill that will follow the resolution.

I think the increase in the maximum amount of individual loans from $5,000 to $7,500 is just about right. It will meet the need for more money at the present time to do the same things. The third amendment will extend the act to June 30, 1962 and I understand that the fourth amendment will increase the total liability of the government to $300 million. We support all these amendments and we are glad that the minister has introduced them. I presume that the interest rate is to remain at 5 per cent. The minister said nothing about that.

Mr. Fleming (Eglinton): There is no change in the interest rate proposed in the bill.

Mr. Herridge: I presume that the terms surrounding loans are the same.

Mr. Fleming (Eglinton): Yes.

Mr. Herridge: I am very glad to hear that. This is sound legislation. As I said before, it has been proven most worth while. It shows that the government is anxious to contribute its share by its credit backing in support of those who are willing to do their part in the development of agriculture in general and in the development of the economic family farm which is so essential to the welfare of Canadian rural society.

Mr. Benidickson: Mr. Chairman, I have very little to add. Because I was looking at the clock before the supper adjournment I omitted one or two things that I had in my notes. Would the minister indicate whether or not the regulations have been altered since January 3, 1957, the date of what I happen to have in my file?

Mr. Fleming (Eglinton): That is correct. I may say—

Mr. Benidickson: That was a consolidated revision.

Mr. Fleming (Eglinton): There were several amendments, and I might refer to those. There was P.C. 1958-1636 of December 3, 1958.

Mr. Benidickson: What was the purpose of that?

Mr. Fleming (Eglinton): I will just list them. There was P.C. 1958-961, July 10, 1958; P.C. 1958-384, March 18, 1958. I think it would be simpler, rather than to go into these, if I just gave my friend copies.

Mr. Benidickson: Yes; then, with respect to section 11 of the act itself, it indicates that appointments for the performance of duties under this act are to be made by order in council. Perhaps the minister might make a statement as to what appointments have been made by order in council under the present administration. I believe that the former chief officer under the minister, Mr. MacRae, retired about a year ago. I think

it is a great tribute to him that some $800 million have been lent under this statute with losses, I think, of one-twelfth of one per cent of that amount, as referred to in the 1957 report.

The only other thing I want to say, Mr. Chairman, is that prior to our supper adjournment I was complaining a bit about the failure to provide this committee—the statute does not provide a time requirement —with copies of the annual report for the latest possible period, 1958. The minister has explained to me that this report was made available. He has accepted, I think, the word of the hon. member for Kootenay West and myself that we had endeavoured to find it through the usual sources, and it was not available. I want to thank the minister for his forethought in making the report available, and I think this should be the standard practice. If something is coming up for debate in a session, and that is known at the time of the speech from the throne, I think a special effort should be made to have these things available. It was made in this case but, through inadvertence, the report was not available.

Resolution reported and concurred in.

INCOME TAX

AGREEMENT BETWEEN CANADA AND FINLAND FOR THE AVOIDANCE OF DOUBLE TAXATION

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-54, to implement a convention between Canada and the republic of Finland for the avoidance of double taxation with respect to income tax.

He said: Mr. Speaker, the purpose of this bill is to implement a convention between Canada and Finland for the avoidance of double taxation with respect to taxes on income. As hon. members are aware, the bill is in the same form, and the convention it is intended to ratify is in the same form, as others which have been before the house in recent years. The substance of the convention follows the general pattern of the income tax conventions which Canada has entered into with the United States, the United Kingdom, New Zealand, France, Sweden, Ireland, Denmark, the Federal Republic of Germany, the Union of South Africa, the Netherlands, Australia and Belgium. All of those were, in their turn, swiftly approved by the house.

In particular, the provisions of this convention are similar to those in the convention between Canada and Denmark. I have no doubt, therefore, a general account of the terms of the convention will suffice for present purposes.

The main purpose of the convention is to avoid double taxes on income of persons both individual and corporate, who are resident in one of the countries and receive income from the other country. The taxes included in the scope of the convention are the Canadian federal income tax, including surtaxes, and the old age security tax on income and the Finnish national income tax. As in Canada, this tax applies to the income of both individuals and corporations. There is no equivalent in Finland of Canada's old age security tax on income.

The chief means of avoiding double taxation is by a reciprocal system of tax credits where the country of residence gives credit for the tax imposed by the country where the income has its source.

Another means is by providing that in certain instances the country in which the income has its source is not to impose tax on that income. In this case it will be taxed only once—by the country of residence. This rule applies to the following kinds of income: Profits on shipping and aircraft companies; copyright royalties from certain artistic activities; purchased annuities; pensions paid in consideration of past services, and business profits not derived through a permanent establishment. In some instances it also applies to the remuneration for personal services rendered by visitors who are businessmen, members of professions, professors, teachers, students and apprentices.

Double taxation is also reduced by restricting to a maximum rate of 15 per cent the withholding tax on certain income going from one country to the residents of the other. It is reduced also by the prohibition of discriminatory taxes against citizens of the other country and by the provision for settlement of special cases of double taxation by mutual agreement.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I recall the minister rather comparing this bill specifically with a similar convention on taxation with Denmark. It just so happens I am not familiar with that particular statute. I have looked at the agreement with Belgium, the most recent I think; with the Belgian Congo in the last session; with Australia in the session of 1957-58; with South Africa in 1957 and with the Netherlands in 1957. I believe this bill is in similar form to those, but I wondered why the minister particularly chose as his example of similarity the agreement with Denmark. Was that a more recent one than those to which I have referred?

Mr. Fleming (Eglinton): No, it simply happened that in the course of negotiations the result approximated more closely the result

in the case of the agreement with Denmark than with any other. There are no departures from the others, but actually if one is measuring the matter in fine scales, the present convention before the house more closely resembles the one with Denmark than any other.

Mr. Benidickson: Last year on July 16, 1958, at page 2307 of *Hansard*, the minister is reported as being just a little more specific with respect to the similarity of a bill of this kind with its predecessors. The minister has no hesitation in saying that, basically, this bill is without material difference to the same kind of bill that has been presented to the house in past years with respect to the other countries we have mentioned so far in our discussion?

Mr. Fleming (Eglinton): Yes, Mr. Speaker.

Mr. Benidickson: I would hope that, as we come to the further stages of debate, the minister might indicate why, under the new administration, it seems that a bill of this kind is piloted by the Minister of Finance. As I recall it, under the previous administration, bills of this kind were piloted by the minister of national revenue. In fact, I think if the minister will look at article II (m) of the present bill, when the Canadian minister is involved he is described again as the minister of national revenue. I was wondering why it happens to be piloted by the Minister of Finance (Mr. Fleming), contrary to the previous practice.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group support this bill on the understanding that it extends to Finland with respect to the double taxation of individuals and corporations the same consideration as we extend to other countries.

Mr. Fleming (Eglinton): Yes, Mr. Speaker; to the other named countries.

Mr. Herridge: Yes.

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

Some hon. Members: Question.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker—

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

Mr. Fleming (Eglinton): —the only matter that requires comment is the one raised by the hon. member for Kenora-Rainy River as to the minister who is piloting the bill through. These are bills from the finance department. The agreements are signed by the Minister of Finance. It was by arrangement between the two ministers, namely the minister of finance and minister of national revenue in the former government, that the minister of national revenue piloted at least some of these measures through. Perhaps the reason I am piloting this one through is that it was thought the Minister of Finance did not otherwise have enough to do.

Mr. Benidickson: I doubt that.

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

Clauses 1 to 5 inclusive agreed to.

The Chairman: Shall the schedule carry?

Some hon. Members: Carried.

Mr. Benidickson: Mr. Chairman, when you said "Shall the schedule carry?" were you assuming that each article would carry ipso facto? I think if you just ask for the carriage of the articles one by one it might facilitate procedure in debate.

On article I.

Mr. Benidickson: On article I, may I ask whether it is customary that bills of this kind have no reference to an estate tax agreement?

Mr. Fleming (Eglinton): The practice has been to have a separate agreement with respect to estate taxes or succession duties or death taxes.

Article agreed to.

On article II.

Mr. Benidickson: Would the minister care to make any explanation as to the difference under section I (e) in defining "resident of Finland" and "its business is not managed and controlled in Canada" and the fact that the same language is not used in reverse with respect to a Canadian resident?

Mr. Fleming (Eglinton): I am not sure that I follow my hon. friend's observation. This clause which contains all the definitions for the purpose of the convention embraces in the one subclause the two definitions: first the definition of the term "resident of Finland" and second the term "resident of Canada". I do not find any difference between the two definitions. As I read them, the one is the precise counterpart of the other.

Mr. Benidickson: If one simply looks at the number of words used I think he will see that they are not counterparts. But having regard to the fact that the terms used in this bill are identical with the terms used in bills of this nature passed previously I will not argue further about the matter.

Article agreed to.

Article III agreed to.

On article IV.

Mr. Benidickson: I just repeat what I said before in my inquiry. In article II (m), page 4 of the bill, the minister will recognize that it is indicated there that in the case of Canada the minister of national revenue seems to be the authorized or designated minister who would normally have responsibility for this kind of legislation. I accept what the minister said on second reading, namely that he has not enough to do and so he has taken on this responsibility in addition to his other heavy responsibilities.

Mr. Fleming (Eglinton): The Minister of National Revenue is the minister charged with responsibility for the administration of all tax legislation.

Mr. Crestohl: May I ask a question for the purpose of getting some information? I note that this convention has already been signed by the Minister of Finance and by the representative of the Republic of Finland. Is there anything that the house can now do other than approve this convention? Has the house any choice other than to approve a document that has already been signed by both parties?

Mr. Fleming (Eglinton): Of course the house can refuse to ratify it. That, of course, is the right of the house if the house chooses to exercise it. But if the house did so, it would be reversing a practice which the house has always approved in times past.

Mr. Crestohl: I am not suggesting by any stretch of the imagination that we do otherwise than approve it. I am just inquiring. Here is a document that has already been signed and confirmed. I am wondering whether the more appropriate procedure would not have been to submit to the house a document for ratification before it is signed.

Mr. Fleming (Eglinton): That would be an entirely unconstitutional practice. Under our parliamentary system the practice is for the agreement to be signed by or on behalf of the government and then to submit it to parliament. In some cases a convention or international agreement will take effect on signing. In other cases it will take effect upon its ratification. The provision for ratification of this convention is contained in article XX. The provision with regard to its coming into effect is contained in article XXI.

Mr. Benidickson: Just as a matter of curiosity as to who comes first, may I ask this question? Has the equivalent legislature in Finland yet approved this convention?

Mr. Fleming (Eglinton): I believe so.

Article agreed to.

Articles V to XIX agreed to.

[Mr. Benidickson.]

Mr. Benidickson: Mr. Chairman, I do not know whether it is because you are not raising your voice or whether it is because the microphone in front of you is not working, but we can scarcely hear you.

On article XX.

Mr. Crestohl: Can the minister tell us whether the convention has already been approved at Helsinki by the Finnish authorities?

Mr. Fleming (Eglinton): I was asked that question just now and I replied that I believed it had been. I now verify that.

Article agreed to.

Article XXI agreed to.

Title agreed to.

Bill reported, read the third time and passed.

DEFENCE SERVICES PENSION ACT

AMENDMENT TO REVISE AND CONSOLIDATE CERTAIN PROVISIONS

Hon. G. R. Pearkes (Minister of National Defence) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the revision and consolidation of certain of the pension provisions of the Defence Services Pension Act, for the payment out of the Consolidated Revenue Fund of superannuation and other benefits to members of the Canadian forces and their dependents and for matters incidental thereto, and to provide further for certain administrative changes in connection therewith.

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

Mr. Hellyer: Is the minister not going to make a statement?

Mr. Pearkes: Mr. Chairman, the purpose of this resolution is to introduce a bill entitled the Canadian Forces Superannuation Act that will revise and re-enact part V of the Defence Services Pension Act.

The Defence Services Pension Act, as hon. members know, is divided into five parts. Parts I to IV apply only to persons who were enrolled in the regular forces prior to March 31, 1946. Part V applies to those persons enrolled in the regular forces since March 31, 1946 and those enrolled before that date who had elected to come under part V.

The pension schemes under parts I to IV and part V are basically the same. The principal difference is that under parts I to IV an other rank, that is a non-commissioned officer or man, contributes nothing to the pension fund but has no pension protection for his widow or dependent children. Under

those parts officers contribute 5 per cent of their pay and allowances to the pension fund. Under part V both officers and other ranks are required to contribute 6 per cent of their pay and allowances and all officers and other ranks have protection for their widows and dependent children. Under both pension schemes the amount of the pension is one-fiftieth of pay and allowances for each year of service. The pay and allowances under parts I to IV are based on the average of the last three years' service; under part V they are based on the average of the last six years. Under the new act parts I to IV basically stand and only very few minor amendments are made. Part V is repealed and replaced by the new act.

The new act will not deprive anyone now serving in the forces of any of his substantial pension rights. The principal purpose of the new act is to simplify administration, correct certain anomalies and bring the regular forces' pension scheme into greater conformity with the Public Service Superannuation Act and the proposed new Royal Canadian Mounted Police superannuation act, the resolution of which was introduced this afternoon.

Whilst the basic pension scheme of part V of the Defence Services Pension Act is retained in the proposed new act, the following important changes will be made. Men who are granted commissions for a fixed term of service will cease to be contributors under this act; they will receive a gratuity under the act for their service as a man and a gratuity under deferred pay regulations in respect of their commissioned time. This will obviate the payment of pensions to relatively young men. Officers who are permitted to retire voluntarily and have 25 years' regular service will be eligible to receive a pension reduced by 5 per cent for each year under their retirement age. Previously they only had to serve 20 years. The maximum benefits payable to widows and children will be raised to those contained in the Public Service Superannuation Act; that is to say, from a maximum of 75 per cent of the contributor's pension to 90 per cent. Only a return of contributions will be payable in future except in the case of death or disability of a contributor where he has served three years or less in the regular forces. Members of the forces to whom parts I to IV of the Defence Services Pension Act are applicable will be given one more year within which to elect to come under the new statute. This will permit men under parts I to IV to obtain protection for their families. The proposed new act will be very similar to the Public Service Superannuation Act which was enacted by parliament in 1953.

Mr. Hellyer: Mr. Chairman, I thank the minister for his statement. It would appear that the changes proposed will eliminate certain anomalies in the law as it presently stands. I think we also welcome the fact that it will bring this act into greater conformity with the Public Service Superannuation Act. As most of the suggested changes are of a technical nature, I think we will reserve our comments until the bill has been introduced in the house. I think it is only fair that the provisions be amended so that people who serve for very short periods of time receive gratuities instead of pensions, which is more closely in line with the practices in private enterprise and private service. I think we also welcome the fact that the provision will be changed so that widows and children will have the opportunity to receive a larger percentage of the pension of the deceased father. I think the minister is being fair in providing one year additional for election under parts I to IV, and in conclusion, Mr. Chairman, I wish to say that in general we welcome these amendments. We will reserve comment on the specific items until we have had a chance to see and study the bill.

Mr. Roberge: Mr. Chairman, with my colleague for Trinity I welcome this resolution. I have one question to ask the minister. Is there in this act that is to be presented to parliament an increase in the pensions of service men who are concerned with the act?

Mr. Pearkes: There is no basic increase in the pension which will still be based on one-fiftieth of the pay and allowances that he receives each year.

Mr. Roberge: Is there an increase in the contribution to be paid by the member?

Mr. Pearkes: Those who have been under parts I to V, if they were not officers, have paid nothing, but their widows and children receive no pension benefit. Under part V they will now contribute 6 per cent of their pay and allowances. Officers who were, under part IV, contributing 5 per cent of their pay and allowances will now contribute 6 per cent.

Resolution reported and concurred in.

Mr. Pearkes thereupon moved for leave to introduce Bill No. C-62, respecting the superannuation of members of the Canadian forces.

Motion agreed to and bill read the first time.

Unemployment Insurance Act

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS TO INCREASE RATES OF REMUNERATION AND CONTRIBUTIONS, ETC.

Hon. Michael Starr (Minister of Labour) moved that the house go into committee to consider Bill No. C-43 to amend the Unemployment Insurance Act.

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

On clause 1—*Repeal.*

Mr. Martin (Essex East): Is the minister going to explain?

Mr. Starr: Mr. Chairman, this bill has gone through second reading, and a considerable time was spent on it clause by clause in the industrial relations committee. I have spoken on second reading and made many statements in respect of all these clauses when this bill was under consideration in the industrial relations committee, and at the moment there is nothing I can add to what I have already said.

(Translation):

Mr. Caron: It is true that we discussed the bill at great length at the resolution stage and also on second reading as well as in the committee on industrial relations. But, to our mind, the bill is of such capital importance, and the various public bodies called before the committee on industrial relations made such significant representations that we must insist again on this legislation not being passed in its present form.

I have here certain items from representations made to us which indicate that people are practically unanimous in their condemnation of this bill. I am taking them up at random as they reached me, and I see that the board of trade of metropolitan Toronto among others wrote us the following:

(Text):

An increase in contribution costs of this dimension constitutes a considerable problem at a time when business is being urged, and is endeavouring, to hold the line on costs.

(Translation):

That should be considered significant action.

It is true that the government, and more particularly the Minister of Finance (Mr. Fleming), asked industrialists more than once to try and maintain production costs at their lowest level so as to check inflation in Canada.

Now the government is submitting legislation which provides for new taxation for, after all, this is a tax that is being imposed, not upon everybody, but in respect of two particular groups: workers and employers. Yet, in spite of all this, the government seems to ask us to hold the line.

I also see that the Canadian Manufacturers' Association, which appeared before the committee on industrial relations raised several objections to the present bill. This is what they said:

(Text):

If relief is required for persons unemployed in the off season it should come from a public assistance scheme and not from an insurance plan based on actuarial principles. We also feel that this proposal should have had a proper review and consideration by the advisory committee before being recommended to parliament by the government as an amendment to the act.

However, we point out that we think it should have been the proper function of the advisory committee to have reviewed this proposal and made its recommendations before the stage was reached of an amendment being proposed by the government to parliament for approval.

This proposal for increased contribution rates in all present classes for employees and employers only is one which the association believes to be unrealistic and should not be approved especially at this time when the government itself is urging industry to hold the line on costs and maintain steady year round employment.

(Translation):

This, Mr. Chairman, is very similar to the views expressed by the board of trade of metropolitan Toronto.

(Text):

In amplifying its reasons for the recommendation that the fund be stabilized by the government contribution being "made equal to one-half that of the combined contributions from employers and employees" it must also be recalled that the advisory committee called attention to "some of the expenditures with which the fund had been burdened and for which provision for sufficient balancing revenue has not been made."

Despite the recommendations of the advisory committee, we note that no mention has been made in the bill now before parliament of the government's intention to increase its own contribution rates.

If employers and employees are expected to contribute more to the fund, it is all the more reason that the government should increase its own rate of contribution so that responsibility for providing revenue to the fund would be equally divided between all contributors, as the advisory committee recommended.

Mr. Starr: Mr. Chairman, may I ask the hon. member whether he is not aware that the government is also increasing its own contribution by 30 per cent?

Mr. Caron: I may tell the minister that I am just reading what I find in the brief of the Canadian Manufacturers' Association. It is a fact that the government may have slightly increased its contribution but not to the degree asked for by various bodies and certainly not in accordance with the increased cost of living and increased salaries.

(Translation):

The Manufacturers' Association goes on to say:

(Text):

No changes in the present Unemployment Insurance Act and scheme should be made until a complete review, such as we propose, has been completed.

(Translation):

That is something we had been asking for. We asked for a fuller and more detailed study, more in keeping with the needs, in Canada, of both labour and management, and yet, the department ignored our recommendations.

And the Canadian Manufacturers' Association goes on to say:

(Text):

No increase in the contribution rates of employers and employees should be made at this time until there has been a thorough re-examination of the act and scheme. If it is found that an increase in contribution rates is required it should not exceed the increase recommended by the advisory committee and actuarial authorities. If employer and employee contribution rates are to be increased, the government's own rate of contribution should be increased equally.

(Translation):

Those recommendations were put forward by an interested public body, the Canadian Manufacturer's Association, and what strikes us in those recommendations is the fact that for once, at least, the representatives of a labour organization, as those of the manufacturers, were in full agreement about their recommendations to the said committee. And here is what the Canadian Labour Congress states:

(Text):

The fact remains, however, that additional amendments have been found necessary since 1955 and these seem to point to the need for a much more thorough going review of this act than has yet taken place—

We will go so far as to say that the proposed amendments not only retain an unsatisfactory ratio between wages and benefits but impose an unjustifiable burden on the insured population, one which should be more equitably distributed.

It seems to us to point to an assumption of continuing high unemployment since if high employment such as we knew in the immediate postwar years were to be resumed the fund would presumably replenish itself without the need for such a marked increase in the contribution rate or any increase at all.

We believe that these payments should never have come out of the unemployment insurance fund but out of consolidated revenue since they represent a payment over and above the normal unemployment insurance benefits for which the act was designed. Seasonal benefits are a reflection of a special and serious condition of unemployment and should be a charge on the national purse and not on the insured population alone. If supplementary and seasonal benefits had in fact been paid out of consolidated revenue, the balance in the fund at February 28, 1959, would have been over $818 million instead of $547 million and the present concern about the state of the fund need never have arisen—

(Translation):

This, Mr. Chairman, we have already said here. We pointed out to the government that neither the employees nor the employers should assume the responsibility of the situation then prevailing in Canada. We pointed out that, if we were in the grips of a depression the burden should not be shifted solely to the workers and employers, especially when thousands of people are without jobs, through no fault of their own but merely on account of an economic situation for which they are in no way responsible and to which they cannot change anything.

Here is now what the national congress of labour added; it repeats what Mr. Gordon Graydon said, as a Conservative member in this house in 1950, as recorded on page 214 of *Hansard:*

(Text):

—it seems to me we have reached the limit of absurdity when we ask the workers of this country to put up more money to solve the unemployment situation. That is the government's job, not the workers.

(Translation):

Mr. Chairman, those words were spoken by a Conservative member at the time he was sitting in the opposition. If this government does not react in the same way, it is because it is afraid the deficit might be higher still if the situation were shown as it should be.

And here is what they say:

(Text):

Experience in the past has shown that only a relatively small number of claimants used up benefits beyond the thirty-sixth week.

(Translation):

I am told that it is about 5 per cent.

(Text):

We wish to state also that this one improvement in the degree of protection afforded by the act—

(Translation):

This is a change from 36 to 52 weeks.

(Text):

—is not sufficient in itself to overshadow the very heavy burdens which have been imposed on the insured population through the increase in the contribution rates.

(Translation):

And the Canadian Labour Congress goes on to say:

(Text):

We believe that unemployment assistance for employable unemployed is fundamentally a matter of exclusive federal concern, not necessarily in constitutional but in terms of the economic facts of life. We would therefore urge upon you and the government the effective coupling of unemployment insurance and unemployment assistance, with the latter conceivably administered through the offices of the unemployment insurance commission but with payments coming exclusively from federal revenues. We repeat that this is a matter of urgency. We hope your committee will make a strong recommendation along the lines we have suggested.

(Translation):

In that regard, Mr. Chairman, at the industrial relations committee we asked the government, as we had done on second reading, and as was done particularly by the hon. member for Essex East (Mr.

Martin), to assume its responsibility in helping the unemployed who are not casually so but who are seasonally unemployed. The government, however, seems to delight in refusing to accept recommendations submitted by public bodies.

We have made suggestions to the government, and the government turned them down. Yet when we criticize without making suggestions, we are accused of being irresponsible. Really, I find it difficult to understand the government's attitude at the present time. The Canadian Construction Association, which appeared before the committee, submitted a brief from which I should like to quote a few short excerpts. Among other things, the association stated:

(Text):

For some time now our association has been concerned over several developments in the unemployment insurance scheme. The association has recently, in view of this bill, adopted a motion recommending that no amendments be made to the Unemployment Insurance Act which had not previously been studied and approved by the unemployment insurance advisory committee and, indeed, that no major amendments be made until the whole scope of the present act is carefully reviewed and reported on by an impartial body which contains or can call upon independent expert advice.

(Translation):

That suggestion is similar to those put forward by other public bodies, namely that the act should be gone into more thoroughly and more intelligently.

(Text):

The considerations prompting the members of the association to endorse this motion were:

The unemployment insurance advisory committee recommended that any increase in rates of contribution should be borne by the government from general revenues since they could be classified as general welfare measures rather than burden workers and employers with paying for the new features. The government's proposal that participating companies and their employees pay larger contributions will result in a considerable increase in labour costs...

Whereas the government has resisted pay increases to the civil service and armed forces on the grounds that such action would have an inflationary tendency, the new proposals will have just that effect.

The average increase in construction contractors' contributions will not only amount to 30 per cent but to about 50 per cent of the rate now being paid. This is due to the high hourly wage rate level in the construction industry. This will cause a particularly difficult problem for contractors engaged in carrying out long term lump sum construction contracts.

(Translation):

As you can see, Mr. Chairman, no matter what representations are looked into, whether they be of this or that public body, they are astonishingly similar and seem to coincide with those put forward by the Liberal party in the house at the resolution stage and on second reading. We also attempted to put forward those same suggestions in the industrial relations committee; unfortunately, we have sometimes met with little success.

About unemployment insurance, the Vancouver board of trade also submitted a brief from which I quote:

(Text):

Unemployment insurance has been in effect long enough now, with the experience of varying economic conditions, to make a review completely practical. We firmly believe that such a review is now warranted in the public interest. The Vancouver board of trade therefore recommends that a royal commission or commission of inquiry be established to evaluate and make recommendations in respect of unemployment insurance. We further recommend that the terms of reference to such commission should include the purpose and function of unemployment insurance, and maintenance of the fund on an actuarial basis, consideration of the rates charged, and the method of levy, and discriminatory features as between classes of industry and classes of workers.

(Translation):

Everywhere we run across similar suggestions: a closer study by an investigation committee, a royal commission. Now, the executive board of the Canadian Chamber of Commerce has this to say:

(Text):

Any additions to the already extensive welfare programs should be carefully assessed not only with regard to their initial costs but also with regard to their foreseeable growth and supplementary requirements over the years. In principle the chamber believes that any additional welfare expenditures should be delayed until the full impact of present commitments can be assessed.

(Translation):

This group too is calling for further study.

(Text):

Provisions of the bill opposed by the executive council.

The present rates are scheduled to rise by approximately 30 per cent average if the bill is passed. If, however, the top rate in the present legislation (60 cents) is compared with the top rate in the bill (94 cents), it will be noted that there is an increase of over 50 per cent proposed. If, on the other hand, interpolating the normal progression and allowing for a top rate of 72 cents as compared with the new top rate of 94 cents, the rise is over 30 per cent. The 30 or 50 per cent figure, whichever is used, is well over the 20 per cent figure that was set out in the unemployment insurance advisory committee report, dated July 8, 1958, as the percentage of increase in the contribution rates that would maintain the fund at the present level.

The executive council submits that the average increase in rates should not be implemented, as it will greatly add to the cost of doing business and is partly based upon certain built-in drains on the fund, to which we will make reference in the following section.

(Translation):

I am still quoting words from the Canadian Chamber of Commerce:

(Text):

We are of the view that before an increase in rates is imposed, a number of areas of drain should be examined; alternative methods of financing should be reviewed and the question of coverage be studied. . . .

We note that the same committee submitted to the government that the loss to the fund caused

by extending benefits to fishermen should be paid from sources other than regular contributions . . .

There is reference in the report of the unemployment insurance advisory committee to the drain on the fund occasioned by the extension of the seasonal benefit period, and a recommendation is made that a grant should cover this drain. There is also a recommendation from the same committee that the division of responsibility for revenues to the fund between employers, employees and government be adjusted so that the provision from each be made equal. We find no reflection in the proposed bill, however, of these recommendations of the advisory committee . . .

The foregoing are matters that, in the opinion of the chamber, should be examined by a special commission of inquiry . . .

The executive council opposes the provisions of the bill dealing with extending the duration of benefit and increasing the contribution rates.

The executive council recommends that a representative commission of inquiry be appointed to examine the operations of the act as to sources of drain, coverage and financing before any increases in rates are contemplated; the said commission to report back by December 1, 1959.

(Translation):

As you see, Mr. Chairman, these recommendations which are very similar came from all groups which have appeared before the industrial relations committee.

The Canadian and Catholic Confederation of Labour has also been heard. Here is what they had to say:

It seems obvious to us that, of late years, the Canadian government has been inclined to have the unemployment insurance fund assume certain expenses which normally should be paid from the consolidated revenue fund of Canada, or by special social security measures. We believe that the rather rapid decrease in the level of the fund is much more the result of that policy than a consequence of inadequate contributions by employees and employers in relation to normal costs incurred by the administration of the act.

That is why we fully support the Unemployment Insurance Commission's advisory committee recommendation to raise the government's contribution to a satisfactory level in order to cover the cost of unemployment insurance elements which have been introduced in the legislation. That government's contribution should be at least half the overall contributions of both employers and employees.

Finally, for the reasons we pointed out in the above paragraphs, we are opposed to the proposed contribution increase. In our opinion, it is unwarranted and saddles the insured with a financial burden which should be taken care of by another fund than the unemployment insurance.

Here now is a brief submitted by the Canadian Retail Federation, which says:

(Text):

Generally speaking, it seems to us that government has two means at its disposal to ease the effects of unemployment both in regard to the individual unemployed and to the economy of the country.

One is a scheme of unemployment insurance based on sound actuarial principles and designed to pay out benefits to those insured persons who become unemployed. The other is a program of public assistance designed to provide for those not protected at all or not protected adequately by unemployment insurance and to assist in those periodic times of economic recession during which unemployment rises to abnormal heights.

We do not criticize the humanitarian motives of government in making changes in the Unemployment Insurance Act, intended to cope with such problems as those produced by seasonality in economic activity, by industries that are essentially seasonal in character, or by economic recession with its attendant and often substantial degree of unemployment which may be of considerable duration. We are intensely concerned to see what we believe to be undue and even unfair demands made upon the unemployment insurance fund, demands which appear to violate the actuarial basis of a good insurance act and which pertain rather to a program of public assistance than to a sound insurance scheme.

The results of such mingling on any wide scale of the two concepts of unemployment insurance and public assistance are only too likely to be reflected in an unsound fund, an effect which seems to be already unfortunately in evidence.

In the act as it now stands this discrimination against the main body of supporting contributors appears to have occurred to a considerable degree.

For example, in covering the employee in stable, year-round work the risk involved is unexpected unemployment, but with highly seasonal industries the risk is expected unemployment during some part of each year. Unless the highly seasonal industries are protected under some other legislation, it would appear that only higher rates for them, in recognition of a greater risk, can avoid the effect of subsidization by both employers and employees in the more stable industries. Lack of recognition of this would seem to involve unfair discrimination against the bulk of contributors who may reasonably expect their contributions to be used to cover the contingency of their unexpected unemployment.

Summary and Recommendations

(3) The federation recommends that a royal commission or similar body be established to completely review the Unemployment Insurance Act.

(Translation):

As you can see, Mr. Chairman, a study of our suggestions and of all submissions made to the industrial relations committee would indicate that, according to all public organizations without any exception, the increase is acceptable neither to the employees nor to the employers. Moreover, it is claimed that, unless a more serious investigation is made by a royal commission or some specially set up independent committee responsible for studying the question and reporting to the government, it will be impossible to establish clearly what exactly the government intends to do at this time.

As a matter of fact, if we consider the figures supplied to us, we see that the unemployment insurance fund has dwindled appreciably, not necessarily as a result of inadequate contributions—though this decrease was particularly noticeable for the years when unemployment figures were up.

We find that in March 1958, the unemployment insurance fund had assets of $744,200,-124.87, while in March 1959 the amount was down to $496,251,386.48. This means, Mr. Chairman, that as a result of the recession we have been through, considerable amounts from this fund have had to be paid to the

unemployed, at the expense of people who had paid contributions in the hope that they might benefit in the event of their becoming temporarily unemployed in the course of their lifetime. I think the government is seriously derelict in its duty if it fails to take from the consolidated revenue fund the necessary money to put back the unemployment insurance fund on a sound basis. In such a case, the government will simply be holding two classes of society responsible for all the trouble we have been having in Canada for some time.

We also notice in report No. 6 which has been submitted to us and which refers to the addition of new changes introduced by the bill under study—

(Text):

Increases in benefits arising from the addition of two new classes.

(Translation):

We notice that an increase of $9.4 million—

(Text):

Mr. McMillan: Mr. Chairman, I want to say something concerning these amendments to the Unemployment Insurance Act. I may say that I joined the committee rather late, and most of the briefs had been submitted. However, several briefs were presented, and those which I heard, as well as those which I read, were practically all critical of the amendments that have been presented.

In looking over the briefs I find most of them are against the rise in the contributions or against the fund paying the supplementary benefits, more particularly the seasonal benefits. They recommend that the whole matter should be referred to a committee of actuaries who would devise some better methods than those contained in these particular amendments. Labour, for the most part, agreed with the increases in benefits and the extension of benefits from 36 to 52 weeks. However, they objected greatly to paying contributions out of all proportion to the cost of these increased benefits. So far as I can see, the government has paid no attention to these recommendations that were received by the committee through the different briefs that were submitted.

I know the government has a big majority, and they will probably carry through this measure. However, I believe they should listen to some of the advice that has been given, and some of the representations made, particularly from employers and from labour. From the manufacturers' point of view, these amendments certainly add to their cost of production in a highly competitive market. It is difficult for many of our manufacturers to maintain themselves in some products even in our home market. When their costs rise, this rise will tend to increase unemployment even further. To give you some examples of what the manufacturers think of these amendments, I have only to refer to one presentation which is typical of several that were submitted. They say this:

The present wording of the act with reference to eligibility qualifications has many ambiguities which make it extremely difficult for the local offices to prevent abuses.

I might say that I can refer to this particular reference in some of the labour representations. The manufacturers also state as follows:

The extension of the plan in recent years whereby additional occupational groups of employees have been included and by which benefit periods were increased in length has thrown the unemployment insurance fund into jeopardy . . .

The scheme has departed from its original concept of an actuarially sound insurance plan designed to tide employees over periods of temporary unemployment. Generally speaking, the operating deficits in recent years may be attributed to the above-mentioned extensions of both coverage and benefits.

One has only to go to the representation made by the Canadian Congress of Labour to see what they say about these amendments. They say this:

We think that the fund, to the extent that it needs replenishing through means other than a return to full employment, should be replenished in other ways and from other sources.

They make certain recommendations. They say:

The congress believes that there are other amendments which should be made to the act. We have already referred to the need for much greater coverage than now exists, more particularly to the justification of immediate inclusion of hospital employees.

Being connected with some hospitals, I might say that I think that hospital employees across Canada, or at least those in the part of Canada in which I live, would like the opportunity of being included under this act. The paragraph continues:

Other amendments that we recommend to you for your consideration are:

(1) the elimination of the waiting period;

(2) the elimination of the anomalies in regard to benefits during illness whereby benefit would be available if and as soon as employment was lost due to illness;

(3) modification of the disqualification resulting from unemployment due to a stoppage of work whereby such disqualification would not result if the stoppage is a lockout imposed by the employer,—

Then they go on to recommend prohibition of referrals to struck plants; restoration of dependency status for dependents residing outside Canada and so on. I think I have referred to sufficient here to show that both labour and industry are opposed to the amendments proposed by the government.

In looking over the state of the fund, according to page one of the unemployment

insurance supplement that was issued, we find that at the end of the fiscal year 1957—that is at the end of March, 1957—the fund had $874 million and that at the end of the fiscal year 1959 the fund had $496 million, a drop of $378 million. According to the investment position changes tabled in the house the figure for government securities on hand as of March 31, 1959 was $490 million, down over $250 million from the previous March 31. As at the end of May many of these $490 million of bonds—

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

Mr. McMillan: When I get through.

Mr. Grafftey: I do not blame the hon. member.

Mr. McMillan: Many of these $490 million of bonds were hypothecated against a $80 million loan from the Minister of Finance, on which they had to pay interest of 5 per cent. The value of the bonds in the portfolio had depreciated so much in value that the equity of the unemployment insurance commission in that fund was actually only $350.3 million as of the end of May, 1958. I think Mr. Coyne gave us the figure each month. At the end of March it was $357 million. I am giving the figure to the closest million. At the end of April it was $353 million. At the end of May it was $350.3 million. We know that the bond market has fallen considerably since the end of May and I would say it is now down considerably under $350 million. We were told that at the beginning of June the fund would just about balance; that is that the intake and the outgo of the fund would just about balance. If that is true, then the fund is below $350 million at the present time. We know that the fund has already taken a loss of over $10 million in securities that were sold.

Mr. Grafftey: That is wrong.

Mr. Benidickson: That is correct.

Mr. McMillan: The fund has already taken a loss of over $10 million in securities that were sold. The conversion loan and the government's fiscal policy of having high current deficits have both helped to force the bond market down, have caused higher interest rates and have helped to put the unemployment insurance fund in jeopardy.

As we know the fund borrowed $80 million at 5 per cent. The commission has done this in order to retain its position intact. As Mr. Coyne told us, if they put a great many bonds on the market that procedure would tend to depress the market further. Certainly we do not want anything to help to depress the Canadian bond market. If you go to New York or if you go any place you will find that it takes only about one sale to knock them down about a point or so. You can see that happening in New York. I ask anybody to pick up the New York Sunday *Times*. There he will see that if one or two Canadian bonds are sold there they go down a point while probably Australian bonds are going up.

Mr. Benidickson: What about Cuba?

Mr. McMillan: Cuban bonds are higher than equivalent Canadian bonds in New York at the present time and they were much higher in February. In February the Cuban four and a half per cent 1977's were selling at 104.25 while Canadian four and a half per cent 1983's were selling at 94.

Mr. Benidickson: They had Castro instead of Fleming.

Mr. McMillan: That was true whether it was under Castro or Batista because the range of the Cuban bonds was 102 to 104.25—that is for the previous fourteen months—whereas here in Canada the bonds of the Diefenbaker government certainly were not as good as the Batista or Castro bonds in New York.

Some hon. Members: Oh, oh.

Mr. Benidickson: That is a fact.

Mr. McMillan: It is nothing to laugh about because the people who bought these Canadian bonds have certainly lost a great deal of money. I think there are two excellent reasons, and the government has given two excellent reasons, why we should not increase these contributions toward the unemployment insurance fund. First of all, the Prime Minister went around the country at last election time and said there soon would be no unemployment. In fact, one night I remember sitting at the television and hearing the Minister of Labour himself say that within two or three months there would be no unemployment. That being the case, and it is nearly two years ago, why have they not cleared up the problem of unemployment in two years? If the unemployment were cleared up there would be no need to increase the unemployment insurance contributions, because the fund would be rising by leaps and bounds at the present time.

Then there is another reason. The Minister of Finance said—and he said this at the time of his budget—that the gross national product would rise by 7 per cent up to about 34.5. I think that only today he said it would not be necessary to borrow so much money, and I take it from that that the gross national product is up more than he expected, and that certainly the gross national product will be higher this year than any year. So why do they need to collect more contributions from the workers when the gross national product is higher than it has been at any time heretofore?

All the segments of the population are being taxed and certainly the working man is paying more taxes. The working man is paying more taxes because of the excise tax and because many smoke cigarettes and drink beer. But this government is putting this extra tax on the working man. The working man is having to pay more tax because of unemployment. I maintain that the working man alone should not be paying what the Canadian people as a whole should be paying. If the government thinks that the unemployment benefits should be extended from 36 to 52 weeks, I think the working man should be charged with that amount and that amount alone. If he is charged with that amount alone, he would only be charged about one-eighth of what he is being charged in increased contributions under these amendments.

Mr. Benidickson: One-eighth of the extra payment.

Mr. McMillan: One-eighth of the extra premium. The government is making a great pretence to the working man. I heard Conservative members in the committee say that we must hurry up and get this through to help the working man. The government is making a great pretence to the working man that they want to get this through to help him. The point is that they want to get this through to get the working man to help the government. They are wanting the working man to pay increased contributions because they are not going to pay him back in proportion to the amount they collect from him in extra premiums. I maintain this will not fool the people of Canada. It certainly will not fool the working man himself, and I do not think the working man should be called upon to pay these extra premiums. He is really paying the tax that the Minister of Finance should be collecting from the people of Canada.

(Translation):

Mr. Caron: Mr. Chairman, may I be allowed to go on with the few remarks I had started to make?

(Text):

Mr. Martel: Not again!

Mr. Caron: Yes, again, and it may be longer than you think.

An hon. Member: A filibuster.

(Translation):

Mr. Caron: As I was saying, Mr. Chairman—

I am waiting for hon. gentlemen to stop making remarks.

According to report No. 6 with regard to unemployment insurance, which was sent to us by Department of Labour officials, the addition of two classes would cost the unemployment insurance commission $9,400,000, and the increase resulting from the 36 to 52 weeks' extension of the benefit period would amount to $11 million. The adjustment would equal $3,100,000, which brings the total of new expenses for the unemployment insurance commission to $23,500,000.

When it is known that a 30 per cent increase would represent an amount of $78 million, while new expenses are supposed to amount to no more than $23,500,000, we can well believe that there's something wrong in the way this act was put together.

Besides, if losses had occurred simply because the commission had had to pay somewhat more to keep the jobless provided with the basic necessities of life, we might understand the situation. But we have been told that the unemployment insurance commission was advised by the investment committee to exchange a number of securities it held for long term conversion bonds, which resulted in a 10 million dollar loss. However, that figure does not represent the actual value of those bonds, which has been reduced to the extent that, if we were forced to sell those we own, in order to obtain enough money to pay the people who need unemployment insurance benefits, the commission would have to take an additional loss of $62 million, which added to the $10 million, gives a total of $72 million, i.e. approximately the amount needed to replenish the fund which has been depleted for the last few years.

Mr. Chairman, the worker and the employer should not be called upon to shoulder the total cost of the damages brought about by a somewhat faulty administration, because I understand there was incompatibility between the chairman of the investment committee and the one who acted as adviser for the unemployment insurance commission. In fact, the latter was caught in an extraordinary dilemma, as he was at the same time adviser to the Minister of Finance, in which capacity he advised him to issue a conversion loan. On the other hand, on account of the secret he had to keep, he could not advise the unemployment insurance commission that there was some risk in keeping any longer the treasury bills which it still had in hand and that it would be preferable to sell them on the market to get a better price. So, the commission kept its treasury bills till the last moment, which led to the exchange for conversion bonds, and to that considerable loss. Furthermore, unemployment had increased enormously. Now, instead of buying treasury bills which could have been sold on the market when they would have brought

more money, the unemployment insurance commission was practically forced to accept long term bonds in order to give the Minister of Finance the credit of having made a marvellous deal. On the other hand, we know that certain other public bodies having bonds sold them in time and did not incur the losses incurred by the unemployment insurance commission. Furthermore, those losses were caused by an urgent need of money, brought about by the need for paying unemployment insurance benefits.

Mr. Chairman, according to the table I have here the percentage of outlays compared to revenues in 1952 was but 44.2 per cent; in 1953, that percentage was 64.9; in 1954, 86.3; in 1955, 118.7; in 1956, it was back to 94.1; in 1957, to 91.9 and in 1958, to 151.2; finally, in 1959, it reached 207.5.

Mr. Chairman, this means that employers and employees are now being taxed for the administration's mistakes, whereas the money should be drawn from the consolidated revenue fund of Canada.

We note that in 1958, employer and employee contributions amounted to $718,409.64, while the government's share was $143,681.93. In 1959, the share of employees and employers will be $778,008.07, while the government's share will be raised to only $155,601.41. This means that there is a drop in the share to be paid by the government as compared to the share that employees and employers are being forced to pay.

Mr. Chairman, when we look at the bill, we find that there are certainly some items we can accept. However, we cannot see how the government can introduce this bill and ask us to pass it, and take advantage of its majority to push it through, when all public organizations we have heard are unanimous in objecting to the bill as it reads. Despite this disapproval, the government apparently intends to ram it down the throats of the Canadian people.

If objections had come only from labour organizations, I would say that perhaps they are a little biased, but we find that not only the workers, but employers, chambers of commerce, manufacturers and builders throughout Canada have all, without exception, objected to the bill, that all have described it as impractical and have suggested that it be studied by a special committee or by a royal commission appointed by the government. And when we ask that the bill be postponed out of deference for the wishes of the great majority of people in every part of Canada, they say "we want to help the workers". Yet when we suggested that at the beginning of this session the house adjourn for the purpose of studying the unemployment situation, the government objected that there was no urgency at the time, although there were 500,000 unemployed in Canada. There was no urgency! But today when, according to them, the number of unemployed has decreased, they want to put through legislation which is not practical and which will please no one. Besides, when we asked for information in order to study this legislation, it was refused to us.

On several occasions, in order to be able to have a good understanding of this bill, we asked for certain information which, by the way had been printed in the newspapers, but was never given officially in the house, at the committee, they took pleasure in putting grit in the bearings, almost continually.

Mr. Chairman, I could take any report from the committee and show you that we were discriminated against, because they did not want the truth to come out. We were repeatedly insulted because we asked for information that the government was not ready to give out. At this stage, I want to be fair and say that when he appeared before the committee, the minister gave us enough leeway and answered our questions fairly well. However, we were not allowed to seek advice from the unemployment insurance advisory committee whose members were in a position to give us plenty of information on that question, since the advisory committee had not recommended that measure. Despite the fact that the advisory committee put forward the same reasons as those submitted by the various public organizations, the government is bent anyway on by-passing those suggestions and intends to thrust that bill upon us.

Mr. Chairman, I submit that the attitude shown, at the industrial relations committee meetings, toward members of the Liberal party and C.C.F. members present is a glaring injustice. Every time a question was asked, the chairman rose and declared it out of order, even before we had a chance to express an opinion.

He led the discussions of this committee in a deplorable way and prevented us from obtaining the information we needed to debate the matter further in the house.

Mr. Ricard: This is a tissue of lies.

Mr. Caron: We have in this house a committee member who is largely responsible for that unfair treatment within the committee—

Mr. Ricard: A tissue of lies!

Mr. Denis: Don't spoil your chances of being appointed parliamentary secretary.

Mr. Ricard: Keep an eye on your own chances!

Mr. Caron: Mr. Chairman, I said that we had a right to protest, and now that the bill is back before the house, where those members who were forced—

Mr. Ricard: It is a tissue of lies.

Mr. Caron: Mr. Chairman, now that peace is restored, I might go on with my remarks.

Mr. Chambers: Are you calm?

Mr. Caron: Is there anyone who wishes to say something?

Mr. Chambers: I asked you if you are calmed down.

Mr. Caron: I did not understand a thing.

An hon. Member: He doesn't understand anything.

Mr. Benidickson: He does not speak French well.

Mr. Grafftey: Continue.

Mr. Caron: Mr. Chairman, those interjections indicate that our complaints are justified.

I was going to suggest to the Minister of Labour whose responsibility it is to recommend members to be appointed chairmen of various committees, that if he intends again to recommend the appointment of the hon. member for Danforth (Mr. Small) as chairman of the industrial relations committee next year, he should set up a special class in order that the hon. member may get acquainted with parliamentary procedure and the way to preside at meetings. In fact, twice we had to leave the meeting in protest, because we were being denied the required information, and this as a result of the line followed by the hon. member for Danforth who was chairman of the committee. Therefore, we missed part of those sittings and the opportunity was taken to rush things through.

Mr. Chairman, I referred a while ago to labour representatives who appeared before the committee to present their views. This advisory committee included labour representatives who had to resign because they did not agree with the way the government was dealing with Canadian workers. And when we discussed the situation, a certain member whose riding I do not recall said something like this:

(Text):

The resignation of the labour members has been a service to the commission.

[Mr. Ricard.]

(Translation):

Mr. Chairman, these words could give the impression that the workers' representatives within the commission were not acting according to their conscience or in a way that would help the committee and advise the minister with insight and objectivity.

Well, Mr. Chairman, I contend that, at this time, we are not in a position to pass bill C-23, for lack of relevant information.

We received protests from organizations throughout the country. I believe that, as long as we have not received the necessary information which would enable us to consider the bill, we, in this house, cannot vote in favour of a legislation which can, at present, be considered unfair, because it throws upon only two groups of our society the whole burden of the errors that have possibly been committed by the present government since it has been managing this country's business and which may have been the cause of a decrease in our international trade and thus of a lack of employment in Canada.

This decline in our trade also caused some industries to close down, at least for a while. Warehouses were chock full of goods and manufacturers were being forced to stop production while waiting to sell part of the accumulated stock.

Mr. Chairman, if that is the government policy, there cannot be any doubt that the resulting unemployment is responsible for the deplorable condition of the unemployment fund. It rests with the government to replenish the unemployment fund. It is also up to the government to contribute $400 million to the fund, if necessary, so as to restore it to the level it was at before the economic recession, so that employees and employers shall not be requested to pay larger contributions into this fund which is designed to help those who lost their jobs, as a result of the difficult economic conditions which the country has been facing these last few years.

Mr. Chairman, I urge the minister to adjourn the debate on that measure and to set up a committee to study it further. I am satisfied that in acting upon this suggestion, it would be granting the request of the Canadian Labour Congress, the Canadian manufacturers, the Board of Trade of Canada, the Chamber of Commerce, the Board of Trade of Toronto, and of all who appeared before the committee. Then we will be in a position to draft a bill more suited to the needs of the country, of the worker and of

the employer, because, and we should not forget it, as a result of the proposed increase of the contributions, certain industries which produce particular items will see their production cost increased by as much as $16,000 a year. That fact was brought to the attention of the committee on industrial relations by the Canadian manufacturers.

Therefore, Mr. Chairman, can we reasonably require that only two categories of people in Canada be responsible for all the troubles that this country is experiencing today? Can the minister logically attempt to keep on imposing on us such a measure when he personally knows that the advisory committee, far from recommending it, even criticized it?

Can he logically ask this house to pass it, unless he uses a servile majority to force it upon us.

I say that we propose to fight it. We are trying to get the minister to allow us at least the time to go into it more thoroughly. Meanwhile, let the government, which is responsible for that sorry plight, pay out of Canada's consolidated revenue fund the amount required to replenish the unemployment insurance fund, because we know that if next winter we have anything like last winter's unemployment, it will cost at least another $250 million. And in view of the fact that there is only some $350 million left at the present time and that the market value is lower than the book value, it is my contention that if we have that kind of unemployment next winter, the fund will practically be exhausted and the government will have yet to draw from the consolidated revenue fund to maintain conditions across the country.

So, if the government, by reason of the dangerous state of the fund, has to draw additional amounts from the consolidated revenue fund, why should it not do it right now? Then it could have this bill studied by an independent body, which could be made up of persons having made special economic studies who could advise the government. If their views were similar to that of the advisory committee, that would mean that the government would be in the wrong, and then we would vote against the bill. If, on the other hand, that particular committee advised the government to follow its present policy, well, we could say to the government: assume your own responsibilities. We would let the bill go through with all the more satisfaction since it would have been thoroughly examined.

There are things which are not accurate in this bill. For instance, it is claimed that the increase will average 30 per cent. But when we consider the new classes, we realize that the increase will reach 64 per cent in certain cases. An increase of 64 per cent, both for the worker and for the employer, means an increase in the cost of living. An increase in the cost of living means an inflationary upsurge in the country. An inflationary upsurge in the country means that the cost of our goods will increase to such an extent that we are going to go on losing our markets abroad. And if we keep on losing our markets abroad, there will be an increase in the number of unemployed in Canada.

Can we afford, here in Canada, a small country in terms of population but large in size, to wait until that calamity is upon us before we react? I say that the ministers are too responsible to accept such a view. I say, as the Minister of Finance did say himself, that we must assess the situation and check that increase, in order that the Minister of Trade and Commerce (Mr. Churchill) may find markets for the products we have at the present time.

Mr. Chairman, we want the minister to change his mind and grant us a more detailed study of the bill before it is adopted.

Mr. Chairman, may I call it ten o'clock?

(Text):

Progress reported.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I have leave of the house to revert to motions for the purpose of giving first reading to the bill entitled an act to amend the Farm Improvement Loans Act pursuant to the resolution which was reported and agreed upon earlier this afternoon?

Mr. Speaker: Has the minister leave to revert to the introduction of bills?

Some hon. Members: Agreed.

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO EXTEND OPERATIONS, PROVIDE FOR MAXIMUM GUARANTEE OF BANK LOANS, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. C-63, to amend the Farm Improvement Loans Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire what the business is for tomorrow? I presume we shall start, as the house leader said on Friday, with item No. 19 and thereafter, I take it, the leader will indicate what the business is.

Mr. Green: Yes, Mr. Speaker, we will start with item No. 19 on today's order paper and then continue the debate on the amendments to the Unemployment Insurance Act; then take item No. 10 respecting the superannuation of the members of the Royal Canadian Mounted Police; then item No. 3, an act respecting the Royal Canadian Mounted Police; and then item No. 11, an act to amend the Criminal Code.

Once those are finished we should like to go on with the bills following the resolutions that were passed today. I believe three of them are under the Minister of Finance and one under the Minister of National Defence.

Mr. Chevrier: Will the estimates be the same as indicated last Friday?

Mr. Green: Yes, Mr. Speaker, although there may be a change in the order. We may take the estimates of the Department of Finance ahead of those of the Department of Justice.

Mr. Chevrier: Will they start in any case on Thursday?

Mr. Green: I would hope we could start them on Wednesday. It will depend on what progress we make with the legislation.

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

ANSWERS TO QUESTIONS

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

GASOLINE PUMPS AND REPAIR SHOP, ST. JEAN, QUE.

Question No. 418—**Mr. Dupuis:**

1. Were tenders called for the granting of a concession for the operation of gasoline pumps and a repair shop for motor boats on a parcel of land belonging to the government, on the western bank of the Richelieu river at St. Jean, south of the Canadian National bridge between St. Jean and Ibervillle?

2. If so, what are the names of the persons, companies or corporations who submitted tenders, and what was the amount of each tender?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1 and 2. Tenders were not called for the lease of the government wharf and adjoining water lot at St. Johns, P.Q. It has not been the practice to call for tenders under circumstances similar to this case. When applications are received for the leasing of departmental land the normal procedure is to determine whether or not such land may be leased by the department and when there is no objection from the departments standpoint to its use for the purposes indicated by the applicant, a lease may be granted. A rental based on current land valuations in the area is set and the applicant informed accordingly. A lease has not yet been executed.

SCIENTIFIC POSITIONS, DEPARTMENT OF AGRICULTURE

Question No. 433—**Mr. Argue:**

1. Were any senior scientific positions in the field of botany above the salary of $9,000 (a) created; (b) unfilled, in any section of the former science service division of the Department of Agriculture between January 1 and March 1, 1959?

2. If so, in the case of (a) on what date were they created, and in the case of (b) on what date did they become vacant?

3. What positions were they, in what section, what salary, and what was the nature of the work?

4. Was a civil service competition opened for any of these positions?

5. If so, for which ones, on what date, and what was the number?

6. If not, what was the authority under which each of them were to be filled?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. (a) No; (b) Yes.

2. (b) October 1, 1958.

3. AGR-517 SSB-1, Chief research division (agric. 1), botany, salary $9,600 to $10,140.

4. No.

5. See answer to 4.

6. Held vacant pending reorganization, research branch.

RADIO LICENCES ISSUED SINCE JANUARY 1, 1959

Question No. 444—**Mr. Argue:**

1. Has the board of broadcast governors issued any licences to operate radio stations since January 1, 1959?

2. If so, (a) what stations have been licensed, and on what date; (b) to whom were they issued, and who is the licensee of each; (c) what town or city are they to serve; (d) what persons sit on the board of directors of each station, and who are the owners?

3. Are the licensees of any of these radio stations engaged in (a) operation of any other radio or T.V. stations; (b) other commercial enterprises?

4. If so: (a) what is the nature of the businesses upon which each is engaged? (b) what is the name of each of the companies owned by each licensee? (c) who are the directors and officers of each? (d) who are the owners?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. The board of broadcast governors makes recommendation on new applications to the Minister of Transport but the board does not issue licences. Such licences are issued by the Minister of Transport upon the approval of the governor in council. Following the approval of the governor in council for the issuance of a licence, authority is granted for the establishment of the station but authority for its operation is not granted until the station has been established and the licensee organization set up in accordance with the approved application. Authority has been granted for the establishment of 14 private commercial broadcasting stations since January 1, 1959 but the stations have not yet been established.

2. (a) (1) CFCP, Courtenay, B.C., April 28, 1959.

(2) CJCB-TV-1, Inverness, N.S., April 8, 1959.

(3) CKKW, Kitchener, Ont., April 8, 1959.

(4) CHEC, Lethbridge, Alta., April 8, 1959.

(5) CJIR, Quebec, P.Q., April 8, 1959.

(6) CFAX, Saanich, B.C., April 8, 1959.

(7) CJCJ, Woodstock, N.B., April 8, 1959.

(8) CFML, Cornwall, Ont., May 21, 1959.

(9) CKMP, Midland, Ont., May 25, 1959.

(10) No call sign allocated (TV), Princeton, B.C., May 8, 1959.

(11) No call sign allocated (TV), Cornerbrook, Nfld., May 8, 1959.

(12) No call sign allocated (TV), Kenora, Ont., May 8, 1959.

(13) No call sign allocated (TV), Moncton, N.B., May 8, 1959.

(14) No call sign allocated (TV), Trail, B.C., May 8, 1959.

2. (b)(1) Wm. Geo. Browne, on behalf of a company to be incorporated.

(2) Cape Breton Broadcasters Limited.

(3) Alan G. Hodge, on behalf of a company to be incorporated.

(4) H. W. Brown, on behalf of a company to be incorporated.

(5) Les Entreprises Sillery Quebec Inc.

(6) Ellison Queale, on behalf of a company to be incorporated.

(7) R. J. Morrison, on behalf of a company to be incorporated

(8) Mrs. Madeleine Laframboise.

(9) R. Bruce Armstrong, on behalf of a company to be incorporated.

(10) Princeton Television Limited.

(11) Canadian Broadcasting Corporation.

(12) Canadian Broadcasting Corporation.

(13) Canadian Broadcasting Corporation.

(14) Canadian Broadcasting Corporation.

(c) See Answer 2(a) above.

(d) (1) Owners: Wm. Geo. Browne*, Chas. E. Renecker*, Mrs. E. M. R. Brackett*, Robt. H. Blackmore*, Geo. Hobson*.

(2) Owners: J. Marven Nathanson*, Norris L. Nathanson*, Mrs. Jennie Nathanson*.

(3) Owners: Albert Dunker*, Harold J. Parker*, Nyle H. Futher*, Gordon R. Brock*, Alan G. Hodge*, Robert Shantz, Geoffrey Lewis.

(4) Owners: H. W. Brown*, R. M. Tanner*, A. L. Batty*, S. R. Broder*.

(5) Owners: Jacques LaRoche*, Odilon Crevier*, Raymond LaRoche*.

(6) Owners: Ellison Queale*, J. Henry Allison*, Ray Vernon Parrett*, Ellison Queale Radio Supply Limited.

(7) Owners: R. J. Morrison, W. B. Groh, George Baker, John Winslow*, H. E. Montgomery*, C. W. Donovan, Clifton Cummings, James F. H. Crocco, G. W. Montgomery, Harrison Monteith, R. B. Cluff, H. Stanley Leech, H. L. Hatfield, H. M. Carter, E. R. Hunter, Deane Crabbe, Fred A. McCain, S. W. Bell, Chas. Allen*, F. H. Hatfield, L. M. Ellis, Walter B. Cluff, C. Gordon Ross, Ronald Moffatt, W. H. Oldenburg, Fredric Beatty, J. Frank Cluff, W. W. Cluff, C. G. Demmings, Edwin S. Green, Ada B. Flemming, E. P. Rempel, Albert H. Morrison, P. B. Jollota, J. D. Morrison, R. A. Normandin, B. Cosman.

(8) Owner: Mrs. Madeleine Laframboise; directors, nil.

(9) Owners: R. Bruce Armstrong*, J. Stanley Tulk*, Gordon A. Sinclair, Grant R. Forsythe*.

(10) Owners: Samson A. Gould*, Anna Gould*.

(11) Owners: Canadian Broadcasting Corporation; directors: J. Alphonse Ouimet, B.A., B.Eng., F.I.R.E., Ernest L. Bushnell, Mrs. Gertrude Alexandra Carter, Mrs. C. Armstrong, Dr. W. L. Morton, B.A., B.Litt., M.A., F.R.S.C., Mrs. Kate Aitken, Charles Leeson, Raymond Dupuis, Q.C., Robert L. Dunsmore, B.Sc., R. Whidden Ganong, Dr. C. B. Lumsden.

(12) Same as answer 2 (d) (11).

(13) Same as answer 2 (d) (11).

(14) Same as answer 2 (d) (11).

3. (a) (1) Cape Breton Broadcasters Limited operates stations CJCB and CJCB-TV at Sydney, N.S.

(2) The Canadian Broadcasting Corporation operates a number of publicly owned stations in Canada.

(b) Nil.

4. (a) See answer 3 (b) above.

(b) See answer 3 (b) above.

(c) See answer 3 (b) above.

(d) See answer 3 (b) above.

*Directors.

STATION CJON, ST. JOHN'S, NFLD.

Question No. 450—**Mr. Argue:**

1. Who is the licensee of station CJON St. John's, Newfoundland?

2. On what date was this license first granted, and to whom?

3. Who are the officers, directors, and owners of this station?

4. Is the licensee of this radio station engaged in (a) operation or ownership of any other radio or T.V. station; (b) any other commercial enterprises?

5. If so: (a) what is the nature of these businesses? (b) what is the name of each company? (c) who are the directors, officers, and owners of each?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Newfoundland Broadcasting Company Limited.

2. October 10, 1951—Newfoundland Broadcasting Company Limited.

3. Geoffrey W. Stirling; D. Jamieson; Florence Dawe.

4. (a) Television broadcasting station CJON-TV, St. John's, Newfoundland. Satellite television broadcasting station CJOX-TV, Argentia, Newfoundland.

(b) Not known.

5. (a) See answer 4 (b).

(b) See answer 4 (b).

(c) See answer 4 (b).

FERRY SERVICE, ST. JOSEPH DE LA RIVE-ST. BERNARD DE L'ILE AUX COUDRES

Question No. 454—**Mr. Brassard (Lapointe):**

1. Have complaints been received by the Department of Transport or the Canadian Maritime Commission concerning the ferry service operated by Rosario Harvey between St. Joseph de La Rive and St. Bernard de l'Ile aux Coudres?

2. If so, of what nature were such complaints?

3. Did the department or the commission make an investigation of such complaints? If so, what were the findings?

4. Did the Canadian Maritime Commission inform Mr. Harvey of the cancellation of subsidy in connection with this ferry? If so, on what date?

Questions

5. Did Mr. Harvey hold a permit issued by the public service board of the province of Quebec for the operation of this ferry service? If so, during what period?

6. Is this ferry service being operated at the present time?

7. If so, by what person, company or partnership, when was the contract awarded and what is the amount of the subsidy?

8. Did the present operators hold a permit from the public service board of the province of Quebec for this ferry service when awarded the contract by the board or department?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. Resolution of the council of the municipality of St. Bernard de l'Ile-aux-Coudres, also delegations from the island to interview the Canadian maritime commission. Complaints were:

(a) concerning the alleged poor condition of the vessel and doubts of its stability and safety;

(b) concerning the way in which automobiles were loaded on the deck of the ferry in such a manner as to preclude the possibility of their occupants escaping from them in an emergency;

(c) inadequate capacity for the traffic in that many automobiles were alleged to be left behind on frequent occasions owing to lack of sufficient space;

(d) concerning the type of vessel in use, which was a converted goelette.

3. Yes.

A. The board of steamship inspection, Department of Transport, reported

(a) that the ferry was in a satisfactory condition;

(b) that the senior steamship inspector, at the port of Quebec, was instructed to draw again to the attention of the ferry operator public notice 1013 which points out that the deck stowage arrangement of vehicles should be such as to provide ready escape from any vehicle, in an emergency;

B. The Canadian Maritime Commission reported

(c) that traffic has increased steadily over the past few years and that day excursionists, on Sundays and holidays, were also increasing, thus creating congestion on week ends, particularly on Sundays. Supplementary trips in excess of the schedule had been made on 22 occasions to endeavour to satisfy the public demand. However, the complainants maintained that many would-be users of the ferry had turned away rather than wait an indefinite period to make a crossing. The week day traffic had been accommodated without much trouble;

(d) it is true that this vessel was a converted goelette and lacked luxury accommodation.

4. Yes. February 26, 1959.

5. Yes. From April 30, 1957, until March 19, 1959.

6. Yes.

7. By la Cie de Navigation Cartier Limitee; the contract was executed in May, 1959, for an annual subsidy of $15,000.

8. Yes.

HOUSE OF COMMONS

Tuesday, June 16, 1959

The house met at 2.30 p.m.

AGRICULTURE AND COLONIZATION

Second report of standing committee on agriculture and colonization—Mr. Stanton.

BUSINESS OF THE HOUSE

REFERENCE TO MOTION ON "VOTES AND PROCEEDINGS" OF TODAY

Mr. Speaker: Before calling orders of the day I should like to call the attention of the house to a notice of motion at page 11 of *Votes and Proceedings* of today, which has given me some concern as to its disposition at this point. Normally it would go on the order paper tomorrow, and the question is as to what is its proper place on the order paper. In accordance with some of the precedents in the past, if it is a proper motion dealing with a matter of privilege it would appear on the order paper tomorrow under routine proceedings and be dealt with at that point.

What I have in mind is directing that it be placed on the order paper for tomorrow under routine proceedings, and when it is called and before the motion is put I would like to ask the house for advice as to the propriety of that course, namely whether it is a proper motion on a question of privilege, so that a decision can be made then, if that course recommends itself to the house, and the motion disposed of.

SHIPPING

MONTREAL-KINGSTON—INQUIRY AS TO DISCUSSIONS WITH PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. Is the minister in a position to report upon the discussions which took place recently, concerning the Montreal-Ottawa-Kingston pilots, between the minister's officers, those of the shipping federation and the pilots themselves, concerning certain grievances about which questions were asked earlier? Is the minister in a position to say what has been the progress of these discussions and the negotiations?

Hon. George H. Hees (Minister of Transport): Just to say this, Mr. Speaker, that the discussions have been going on, as the hon. member for Laurier has said, and we consider that very satisfactory progress has been made.

DEFENCE PRODUCTION

REPORTED CANADIAN CONTRACT FOR REPAIR OF FLYING BOX CARS

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Defence Production. Has the minister any information on the awarding of a contract to a Canadian firm for the overhaul and repair of 100 of the so-called flying box cars?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, one Canadian firm has been asked by the United States army to submit tenders for the repair of the flying box cars. It is Northwest Industries, Edmonton.

AGRICULTURE

HONEY—ANNOUNCEMENT OF ESTABLISHMENT OF SUPPORT PRICE

On the orders of the day:

Mr. H. O. White (Middlesex East): I wish to direct a question to the Minister of Agriculture. Is the minister in a position to announce a support price for Canadian-produced honey, as the honey producers are approaching another crop season?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, the agricultural stabilization board has been authorized to provide a support price for honey produced in Canada and delivered by producers to registered packers in the 12 months starting July 1, 1959.

The support price authorized will allow the board to make up the difference, if any, between the average Canadian price to producers and 13½ cents per pound, basis white No. 1 grade extracted honey. The authorized price of 13½ cents per pound is a national average based on the return to the producer for honey delivered in bulk at the plants of registered packers. This prescribed price is equivalent to 104 per cent of the 10-year average, compared with the provision of a price support of 12 cents per

pound for the 1958 crop, which was equivalent to 91 per cent of the 10-year average price.

The number of colonies of bees in Canada has shown some decline in recent years. In 1958 domestic disappearance of honey was about three million pounds greater than Canadian production. This assistance should help maintain and stabilize the Canadian honey industry.

NORTHERN AFFAIRS

ARCTIC ISLANDS—APPROVAL OF NEW OIL AND GAS REGULATIONS

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): I should like to direct a question to the minister of northern affairs. Would the minister tell the house whether or not the new oil and gas regulations for the Arctic islands have been approved by the cabinet and, if so, would he care to comment on these new regulations?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): The answer, Mr. Speaker, is, no.

[*Later:*]

Mr. Hardie: Mr. Speaker, in order to clarify the answer given to me a moment ago by the Minister of Northern Affairs and National Resources I wonder if he would tell me whether or not the "no" answer he gave was applicable to both questions I asked, or applicable only to the question concerning whether or not cabinet has approved the new oil and gas regulations which have been under consideration now for over two weeks?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, the answer to the first question was no, and the answer to the second was not applicable.

LABOUR CONDITIONS

UNEMPLOYMENT—BUREAU OF STATISTICS FIGURES FOR MAY

On the orders of the day:

Mr. E. J. Broome (Vancouver South): I wish to direct a question to the Minister of Labour. Can the minister inform the house as to the latest figures of the dominion bureau of statistics in regard to unemployment in Canada as a whole and in the Pacific region in particular?

Hon. Michael Starr (Minister of Labour): Figures for May released today by the dominion bureau of statistics show that there were 188,000 more people at work in Canada than there were in April. There were 102,000 more Canadians at work than at this time last year. Job seekers, at 334,000, are 111,000 less than last month, and 36,000 fewer people are seeking work than were seeking work this time last year. The labour force, at 6,186,000, probably constitutes a record for the month of May. It is 66,000 higher than last year.

Mr. G. J. McIlraith (Ottawa West): Would the minister give us the figures for the corresponding dates in May of 1958 and 1959 as to the number of unemployed in Sydney?

Mr. Starr: Figures issued by the bureau do not give a breakdown by municipalities or even by regions.

Mr. McIlraith: It is on the third page of the report from which the hon. gentleman has just read.

Hon. L. B. Pearson (Leader of the Opposition): Would the minister give the percentage of the labour force seeking work as of that date in May?

Mr. Starr: It was 5.4 per cent, compared with 6 per cent.

Hon. Paul Martin (Essex East): In view of the fact that the number still out of work is very large, is the minister in a position to announce at this time whether or not the government has any plans for winter work or any other plans to put this large number of men and women who are unemployed back to work?

Mr. Starr: The figures I have quoted are for the middle of May. I know they are much lower now, and I am sure that when the next figures are released they will be much lower than these figures I have quoted. This is the result of the work which has been done by this government and the plans that have been formulated by this government to bring the figures down.

Mr. Martin (Essex East): Mr. Speaker, is the minister not aware that the Prime Minister of Canada said that as long as there was—

Some hon. Members: Order.

Mr. Speaker: Order. I must ask hon. members to give the hon. member who has the floor an opportunity to ask his question.

Mr. Martin (Essex East): I can very well understand the concern of hon. gentlemen opposite, Mr. Speaker. Is the Minister of Labour not aware that the Prime Minister of Canada said that as long as there was one person out of work in Canada no one would suffer as a result of the policies of this government? I would suggest by way of—

Mr. Speaker: Order. The hon. member for Essex East, I think has gone—

Mr. Fraser: Too far.

Mr. Speaker: —further than I would normally have allowed by reason of the statement the Minister of Labour made, but he has asked a complete question and I suggest that it be dropped there. It strikes me this is not the sort of question that calls for a reply.

Mr. Hees: It was a speech.

Mr. Martin (Essex East): Mr. Speaker, I suggest that if the question of the hon. member for Vancouver South was in order, my question was equally in order because it reminded hon. gentlemen opposite of solemn promises made to the Canadian people.

Mr. Speaker: Order. There is some doubt about the regularity of the whole proceedings at this point. I allowed the hon. member for Essex East to pose his question, which was really an argumentative question not calling for an answer, because the Minister of Labour had replied in the same vein, but I think the subject might be dropped at this point.

Mr. Pearson: Mr. Speaker, may I ask the Minister of Labour whether any plans have been formulated for a winter work conference with the provinces and, if so, when it will be held?

Mr. Starr: Mr. Speaker, I am very happy that the Leader of the Opposition is so keenly interested in conferences, especially after this government initiated them, which is something the former government had not undertaken previously.

For the hon. gentleman's information, in case he does not know this, I may say we did hold such a conference in July.

[*Later:*]

Mr. McIlraith: Mr. Speaker, earlier in the day in the midst of an answer to a question I had asked I made an interjection when the minister gave the reply that he did not have the information. I said the information was on page 3 of the document he was reading from with regard to the unemployment situation. The information is to be found on page 5 of the document.

NATIONAL REVENUE

BOISSEVAIN, MAN.—SCHOOL ATTENDANCE OF CHILDREN OF CUSTOMS OFFICERS

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, in replying to a question raised by the hon. member for Bonavista-Twillingate on June 9 regarding an editorial in the Winnipeg *Free Press* to the effect that customs officers at the port of Boissevain, Manitoba, are obliged for financial reasons to send their children to school in North Dakota, I actually had in mind another article appearing in the same paper. I answered in part and said I would obtain further information, and I wish now to clarify the matter by referring to the article to which he had reference.

The facts of this case are that the situation is not as represented. Authority had been granted by the department, with the concurrence of treasury board, to pay a car mileage allowance to the officer for the transportation of his children to and from the school at Horton, Manitoba, a distance of 9 miles. The officer, however, made arrangements to send his children to school at Dunseith, North Dakota, a distance of 13 miles from the international border.

The reasons given by the officer were that the road to Horton was hilly and heavily wooded, thus causing hazardous driving conditions; that the school board at Horton classified the children as non-residents, resulting in the officer having to pay tuition fees; also that Horton, being a rural school, taught only grades 1 to 7, which would result in the officer's eldest child having to attend school at Boissevain with the resultant tuition fees charged non-residents, as well as board and lodging. Furthermore, the North Dakota school bus proceeds to the border each morning and returns each evening, making it very convenient for the children as well as the parents.

The customs buildings and residences are located in the Turtle mountain forest reserve and are not included within a municipality. Consequently the officers are not required to pay taxes but pay rental to the department, amounting to $30 or $40 per month, depending on the type of house in which each officer lives.

The department makes every effort not to place officers with young families at isolated border offices, but when it is realized that we have 125 offices located along the international boundary it will be appreciated that it is not always possible to arrange this, having regard to the competitive system of filling positions.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the hon. gentleman a supplementary question. Can he give us the number of border crossings at that particular point?

Mr. Fulton: That is hardly a question for the orders of the day.

POLYMER CORPORATION

INQUIRY AS TO STRIKE SITUATION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Labour whether he is in a position to tell us if any progress has been made in the strike at the Polymer Corporation at Sarnia, in connection with which many men have been out of work for such a long time?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, very favourable progress is being made.

Mr. Martin (Essex East): They are still out of work.

PRIME MINISTER'S RESIDENCE ACT

AMENDMENT TO INCLUDE PROPERTY IN COUNTY OF GATINEAU

Hon. Howard C. Green (Minister of Public Works) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the schedule to the Prime Minister's Residence Act to bring certain property in the township of Eardley, county of Gatineau within the scope of the act.

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

Mr. Green: Mr. Chairman, hon. members will notice that this resolution is preceding the introduction of a measure to amend the schedule to the Prime Minister's Residence Act to bring certain property in the township of Eardley, Gatineau county, in the province of Quebec, within the scope of the act. As the Prime Minister's act was originally passed it contained in the schedule only one property, namely the house on Sussex street in the city of Ottawa. The bill which will follow this resolution merely adds to the schedule the property in the Gatineau hills which is ordinarily referred to as the Harrington lake residence.

It will be remembered that about three weeks ago the hon. member for Kootenay West asked a question on the orders of the day in the following terms:

In view of the general concern that the historic and beautiful Harrington lake residence and property be preserved and used to the best advantage, will the government recognize this concern and interest by the introduction of legislation that will establish this property as an official government country residence for use by the Prime Minister, his distinguished guests and other appropriate persons?

To that question I replied as follows:

I should like to thank the hon. member for giving me notice of this question. The suggestion he makes will be given serious consideration by the government, and should it be the wish generally of hon. members that such a course be followed I should think legislation could be introduced at this session.

I mentioned this proviso because legislation of this kind is not the type that any government wishes to introduce, and in particular that no prime minister wishes to have introduced, unless members are agreed that such steps should be taken. I remember the reaction of Right Hon. Mr. St. Laurent when the Prime Minister's Residence Act was introduced originally, and it was just the same as the reaction of the present Prime Minister to this proposed amendment.

These men, in a position of great responsibility, think of themselves last. If it were not the wish of the house generally to have the amendment which I am moving today passed, the government would not, of course, proceed with the measure. May I hasten to add that the other members of the cabinet, and I am sure the members of the last cabinet, feel very keenly that this measure is appropriate and, as a matter of fact, is badly needed in order to help ease the burdens of whoever may happen to be the prime minister of this nation.

The property which will be placed in the schedule if the bill carries is not the whole of the Harrington lake property, but merely 13.4 acres with the house which is on that particular portion. This property is part of a much larger property consisting of some 4,286 acres which was purchased by the federal district commission in 1951 as part of a program for the acquisition of property for the Gatineau national park. The 4,286 acres were jointly owned by Colonel C. M. Edwards and Hon. W. D. Herridge and included the Edwards home, which is on the property now being included in the schedule, and also the Herridge home, and two farms which will remain under the administration of the national capital commission. I should like to make that clear that all the 4,286 acres, with the exception of the 13.4 acres which would be placed in the schedule to the act will remain the property of, and under the sole jurisdiction of, the national capital commission.

There has been some suggestion that the intention was to take the whole 4,286 acres and restrict anyone from fishing in Harrington lake, and a lot of such rumours, but such is not the case. All that is being done is to place the house, together with the surrounding grounds, totalling 13.4 acres in the schedule to the Prime Minister's Residence Act. The home would be available for the use of the prime minister in the summer months and also for the entertainment of distinguished guests visiting this country. Hon. members will recall that last year Her

Royal Highness Princess Margaret, during her visit to Ottawa, spent a very happy time at this residence on the shore of Harrington lake. I am sure that from time to time there will be other distinguished guests coming to Ottawa who could be entertained there during the warm summer weather.

In the course of my negotiations with members of the other parties someone made the suggestion that perhaps the leader of the opposition could have the use of the house for one day a week; and the house leader of the opposition, the hon. member for Laurier, thought he might have the use of it once very two weeks. I wondered where that left the house leader on the government side, and thought he perhaps might be able to use it once every three weeks.

In any event, indication was given from both the opposition parties that they were heartily in favour of a measure of this kind being introduced; and because of that understanding, and of the original suggestion by the hon. member for Kootenay West, I place this resolution before the committee this afternoon.

(Translation):

Mr. Leduc: Mr. Chairman, I listened very carefully to the remarks made by the Minister of Public Works (Mr. Green) when he brought forward his resolution to annex the lake Harrington property to the present summer residence of the Prime Minister (Mr. Diefenbaker). Personally, I am very pleased with the government's decision and I can assure the house that the people of Gatineau riding are very happy about it. Moreover, the official opposition supports the government's policy.

The choice of this property as permanent summer residence for succeeding prime ministers of Canada is a most happy one. The site is marvellous. I know that few members had the opportunity of visiting this wonderful place in Gatineau park.

A former prime minister of Canada, the Right Hon. William Lyon Mackenzie King, had a summer residence at Kingsmere in the Gatineau park. It was a modest residence. So is the residence where the Prime Minister spends the summer months at present, but with respect to the site, there is no comparison between the two places. In fact, that spot at Harrington lake is the most beautiful that I know of as a summer residence, and I don't mean in the Gatineau constituency, because I am sure we would have to search through many other constituencies and many other provinces before we could find an equally picturesque spot. Not only are the mountains a pleasant sight but, as the Minister of Public Works stated, there is also beautiful Harrington lake, about 3 miles long, where the fishing is very good and where splendid salmon trout and big bass can still be got.

It is a wonderful spot, where the person who occupies the position of prime minister will be able to rest and invite the distinguished guests of Canada.

I am sure the other ministers will also have access to it. I am also certain that the new Secretary of State for External Affairs will have the opportunity of staying there a while to rest and, at the same time, to discuss important problems with distinguished visitors from other countries.

Mr. Chairman, I am most pleased with this government measure and we, on this side of the house, support it very heartily.

(Text):

Mr. Herridge: Mr. Chairman, I rise to express the support of this group for this measure, which provides a most fitting and appropriate use for certain property owned by the government of Canada, namely Harrington lodge and approximately 13 acres of land. Before proceeding I must say that I was extremely pleased to hear the explanation by the Minister of Public Works concerning this measure, and was pleased to hear him scotch the various rumours that have prevailed largely because of one vivid imagination projected through a pen onto paper.

The act to provide an official residence for the prime minister of Canada was given unanimous approval by the House of Commons on January 18, 1950. At that time Mr. Coldwell, the leader of the C.C.F. group, as reported at page 3345 of *Hansard* of that year, said:

> I think our country is doing the proper thing, in conformity with what other countries have done, in providing the first citizen of this country with a residence in which he may receive distinguished guests from at home and abroad.

I might say on this occasion, Mr. Chairman, that we in this group think our country is doing the proper thing, having a knowledge of all the circumstances, in providing Harrington lodge as an official country residence for the present and future prime ministers of Canada.

The prime ministers of Great Britain have long enjoyed an official residence and an official country residence since 1921. I might say that so long as we follow in principle the precedents, the practices and the customs of the mother of parliaments we shall not

go very far astray in this parliament. With respect to our prime minister's residence in Canada, public response and experience have proven this was a wise decision.

The whole world knows No. 10 Downing street in London. Every morning one can find the Londoner, his country cousins and overseas visitors from other parts of the commonwealth and various parts of the world gathered in front of No. 10 to witness the departure of the prime minister for the House of Commons, or for his office when the House of Commons is not in session. I should like to say that in performing this daily ritual these people are using the loom of sentiment to weave the tapestry of national strength. No. 24 Sussex drive in Ottawa is the Canadian No. 10 Downing street.

During the first world war the prime ministers of Great Britain found it increasingly necessary to leave London and find refuge in the country homes of their friends on numerous occasions. On that account the need for an official country residence for the prime minister under the trying conditions of political life in modern circumstances was increasingly recognized.

This need was met by the gift to the nation in 1921 by Lord and Lady Lee of Chequers Court in Buckinghamshire, to be used as the official residence for the prime ministers of Great Britain forever. I am going to read the beautiful inscription that was placed on the front of that residence, because I am very interested in this sort of thing. The following gracious inscription commemorating this munificent gift is found on the front wall of Chequers Court:

> "This house of peace and ancient memories
> Was given to England as a thank-offering
> For her deliverance in the great war, 1914-1918,
> And as a place of rest and recreation
> For her prime ministers forever."

Since that time Liberal, Conservative and Labour prime ministers have found rest and solace in that beautiful residence during times of stress and strain.

One former prime minister of Canada, namely Right Hon. W. L. Mackenzie King, had his Kingsmere; another former prime minister, namely Right Hon. Louis S. St. Laurent, enjoyed his Quebec retreat. We believe, as apparently do all members of the House of Commons, that the time is now ripe for Canada—with a knowledge of all the circumstances and the availability of this property—to provide an official country residence for Canada's prime ministers and their distinguished guests.

This Harrington lake property, situated among woods and near water and within a reasonable distance of Ottawa, will provide a most suitable retreat for Canada's prime ministers and their distinguished guests forever. From my personal experience since coming to Ottawa, particularly during the hot and humid days of an Ottawa summer, I might say as someone has said—I cannot recollect at the moment who it was—that at times all human beings, particularly those with heavy responsibilities to their fellow men, need the opportunity to witness the resonant far listening dawn, to enjoy the honey light of noon through leaf-laced greenery, to listen to the sounding silence of forest solitude.

Mr. Chairman, Harrington Lodge provides this opportunity. It belongs to the nation. We are pleased to know it is going to be used to the best advantage. Not only the members of the House of Commons in all parties but other people in Canada have the same opinion. I want to quote in part from an editorial in the Ottawa *Citizen* of June 11 which I thought was most appropriate. This is what was said in this editorial on this question:

> Summer Home for Prime Minister
>
> The use of Harrington Lodge as a summer residence by Canada's prime ministers is now in prospect. A move to convert to that purpose should receive wide support in the Commons, for every indication has already been given that there is no substantial opposition to such a measure. There should also be broad public support for this move.
>
> Harrington Lodge, on Harrington lake, was acquired by the federal government several years ago as part of Gatineau park. To convert it to a summer home for the nation's prime ministers would require no large capital outlay . . . It is only common sense to place the property at the Prime Minister's disposal . . . The country will benefit, because whoever is its prime minister can enjoy relaxation during the summer in a location virtually on Ottawa's outskirts.

Mr. Chairman, let me say in conclusion that we in the C.C.F. trust that the present and future prime ministers, including we hope future C.C.F. prime ministers, will find in this sylvan glade recreation, repose, rest and restoration of mind, body and spirit.

Mr. Caron: Mr. Chairman, everybody in this house is happy that the government has decided to offer a summer residence for the prime minister, and I have only one question to ask the Minister of Public Works. When I was a kid we used to spend our summers at Meach lake, and at that time the lake was called "Mousseau". Could the minister tell us why and when the lake was rebaptized and named "Harrington"?

Mr. Green: Mr. Chairman, this is the first time I have heard of Harrington lake having another name.

Mr. Martin (Essex East): All good fishermen recognize it.

Mr. Green: However, I will make inquiries. I was afraid the hon. member for Hull was pulling my leg.

Mr. Pickersgill: It was the "moose's" leg!

Mr. Green: I would just like to say a word of thanks to the hon. members who have spoken, Mr. Chairman. I believe the hon. member for Gatineau represents the loveliest constituency in Canada, outside of those in British Columbia. I really had to add that in self defence. The Gatineau valley and the Gatineau hills are wonderful spots at any time of the year, and I do not think there could be a finer location for a national park in the vicinity of the national capital than the Gatineau national park. I am sure those of us who have been privileged to spend much time here down through the years have learned to love our visits to the Gatineau valley and the Gatineau hills. As to the hon. member for Kootenay West, he comes from a constituency which is full of beautiful spots, and I can quite understand his words this afternoon when he spoke so feelingly and so eloquently of this site at Harrington lake.

The government is very grateful to the members of the two parties for their support of this measure, and I am confident that the result of this action will be to give great encouragement and renewed physical strength and vitality to whoever may happen to be the prime minister of this nation in the years which lie ahead.

Resolution reported and concurred in.

Mr. Green thereupon moved for leave to introduce Bill No. C-64, to amend the Prime Minister's Residence Act.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read the second time?

Some hon. Members: Now.

Mr. Speaker: By leave, now.

Hon. Howard C. Green (Minister of Public Works) moved second reading of the bill.

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

On clause 1—*Short title.*

Mr. Chevrier: May we have the bill?

Mr. Caron: Has the bill been printed?

Mr. Green: Yes, Mr. Chairman. I gave a copy last night to the leaders of the opposing parties.

Mr. Caron: Mr. Chairman, I see it is again referred to as Harrington lake. To my recollection the name has always been, at least up to a certain time, Mousseau. I really believe it would have much more appeal when the prime minister moves from his residence in Ontario to Quebec if it would come back to its old name of Lac Mousseau. I think they have robbed us of a name and I would like restitution, and that is what I ask the minister for now.

Mr. Starr: It was done when the Liberals were in power.

Mr. Green: I presume that in drafting the bill the law officers have referred to the name which appears on the maps. This question would really come under the jurisdiction of the national capital commission, as all the property in that vicinity is part of the Gatineau national park. I shall be very glad to bring the hon. member's suggestion to the attention of the chairman of the national capital commission.

Mr. Caron: I may be mistaken, but I would like the minister to find out. I know it was called Mousseau lake for over 50 years. It may not have been the official name but it was the name. If you go to Masham or any of these places today the old residents over there will still call it Lac Mousseau. I do not want to interfere with the passage of this bill. The only thing I ask now is that if it happens to be declared that Lac Mousseau was the official name, would the minister promise to try to bring it back to what it was before the change was made?

Mr. Green: Mr. Chairman, the only place the name of the lake appears in the bill is in the metes and bounds description of the property. This bill would have no effect in perpetuating any name at all. As I have said, these names are merely used in order to work out a description of the property. However, I shall be glad to bring the hon. member's suggestion to the attention of the officials whose responsibility it is to see that the proper names are used for these lakes and other geographical descriptions.

Mr. Pickersgill: Would the minister consider having his colleague the Minister of Mines and Technical Surveys, under whom I think the geographic board comes, move an amendment to put in brackets "Lac Mousseau" right after "Harrington lake" wherever it occurs? That is the way it is on the maps.

Mr. Lennard: How does the hon. member know that is correct?

Mr. Pickersgill: I have seen it on maps many times.

Mr. Lennard: That does not say it is correct.

Mr. Pickersgill: It is just a suggestion. I was trying to be helpful.

Mr. Green: There would be no objection to that, to adding the words "Lac Mousseau" after the words "Harrington lake" where they appear in the schedule.

Mr. Comtois: I so move, Mr. Chairman.

(Translation):

Mr. Pigeon: Mr. Chairman, I think that within the limits of a province, the names of lakes should be chosen by that province which, in this case, is the province of Quebec. I think that only Quebec has the jurisdiction to change those names.

Mr. Comtois: Mr. Chairman, I think I am in a position to say a few words about this, because this matter is a responsibility of the Canadian board on geographical names.

I do know that, before changing a name on our maps, we have to get in touch with the provinces concerned and come to some understanding with them before we are authorized to proceed. I may add that it will be a pleasure for me to communicate with the committee on geographical names, in order to have the name of this lake changed. Still, I doubt very much that the name was changed within the last two years. It probably was changed before this government came to power.

Mr. Caron: I admit that the name probably was changed before the present government took over, and I even recognize that, to change a name even within the limits of the national capital, provincial authorities must be approached. But the suggestion made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) does not actually change anything; it simply purports to have the name "lac Mousseau" put in brackets after the name Harrington, in order to clarify the situation.

Mr. Denis: I fully appreciate the offer of the Minister of Mines and Technical Surveys (Mr. Comtois) to communicate with Quebec authorities, but I am afraid he will find it rather hard to meet with the premier of that province, because when other matters were raised in this house, we never got any reaction, either by letter or by telegram from the Quebec premier. This was the case for fiscal relations and hospital insurance.

Mr. Ricard: Please hold your tongue!

Mr. Denis: May I point out to our friend, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) that there is in Ottawa a board which has the responsibility of finding names for newly discovered places, whether they be lakes, mountains or anything else. Every province has a representative on that board, save Quebec. Now, if a representative of that province had been present when a new name was chosen, the hon. member could not now complain that Quebec was not represented—

Mr. Ricard: They are going to discover you!

Mr. Comtois: I have to disagree with my hon. friend from St. Denis (Mr. Denis), for the province of Quebec actually is represented on that board.

Mr. Denis: I have neither the jurisprudence, nor the facts nor the act before me.

Mr. Dubois: You lack many things indeed.

Mr. Ricard: There are quite a few other things you lack!

Mr. Denis: However, I have here some press clippings about the choice of geographical names, etc. and the province of Quebec is never represented on that board.

Mr. Dubois: As long as we have the organization, it is all that is needed.

An hon. Member: You still have a great deal to learn.

(Text):

Mr. Matthews: I am very anxious that the present Prime Minister should get this house, but may I say that if he would like a lake out in our beautiful Nanaimo area he could name it anything he wanted.

The Deputy Chairman: I am not quite sure whether I understand this correctly, or whether this is what is desired. An amendment has been moved by Mr. Comtois that the words "Lac Mousseau" be inserted in brackets after the words "Harrington lake" where the same appear in the bill.

Is it the pleasure of the committee to adopt this motion?

Amendment agreed to.

(Translation):

Mr. Denis: Mr. Chairman, just a further word. As all hon. members have admitted, that lake and that residence will be one of the finest sites in the province of Quebec, and even in the whole of Canada. The people of Quebec are happy to learn that the Prime Minister, and especially those who will succeed him, will spend some time at that place. As the government is no doubt grateful it should be generous towards the province of Quebec and, in my opinion, the only way to reward the province of Quebec for that fine site, which will be of benefit to the prime ministers from now on, would be to see to it that the Minister of Public Works (Mr. Green), as well as the Minister of Labour (Mr. Starr), find jobs for the unemployed in the province of Quebec, who are more numer-

ous than anywhere else and who do not even benefit from the advantages available to the other provinces.

An hon. Member: Sit down. You are merely displaying your ignorance.

(Text):

Some hon. Members: Keep quiet. Sit down. Order!

Clause as amended agreed to.

Bill reported, read the third time and passed.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS TO INCREASE RATES OF REMUNERATION AND CONTRIBUTIONS, ETC.

The house resumed from Monday, June 15, consideration in committee of Bill No. C-43, to amend the Unemployment Insurance Act—Mr. Starr—Mr. Rea in the chair.

Mr. Caron: To conclude the remarks I began last night, I should just like to point out that last evening, before I had received the latest statistics on unemployment from the dominion bureau of statistics, I said I was afraid that next winter would be very bad. I have now the confirmation of that, because the figures show that on May 14, 1959, in a beautiful season for construction work, there were 585,489 people unemployed in Canada. These figures are much higher than we would have expected.

Mr. Starr: Are those dominion bureau of statistics figures?

Mr. Caron: These figures have been given in a joint press release by the Department of Labour and the dominion bureau of statistics.

Mr. Starr: I think the hon. member is misrepresenting the figures. What he is quoting from are the registration figures of the national employment service.

Mr. Caron: Yes, but they were published and released today.

Mr. Starr: That is only an appendix to the release. It is not part of the dominion bureau of statistics release.

Mr. Caron: But it was published and released today under the responsibility of the Department of Labour and the dominion bureau of statistics, so we have to accept these figures as they are. They are registrations at national employment service offices; I admit that. The figure given here is 585,489, so it is much higher than we expected to find during the month of May when employment is supposed to start anew and build up for the summer work. If this situation continues, and the government do nothing else to increase the rate of unemployment insurance contributions I do not think they can go very far next winter on the small amount they will get out of the funds in the portfolio. The sum of $3 million-odd will be about the best they can get, and they will not be able at that time to cope with the expenses that will arise out of the fact that unemployment will be much higher than expected by the minister.

Let us consider what was said by the Minister of Labour when he sat on this side of the chamber as a private member. As reported at page 827 of *Hansard* of February 3, 1955, the present minister said:

> It is this utterly unrealistic added burden of taxation on one of the most important and, I might add, most expensive necessities of normal life under modern conditions in this country, which should be removed.

The minister was speaking about a proposed increase under the Excise Tax Act. At page 3937 of *Hansard* for May 19, 1955 the present Minister of Labour is reported as having said:

> I feel that the Department of Labour and this government should make strenuous efforts to alleviate the present condition of those who find themselves unemployed.

This is what we have been saying. It is not so much a question of increasing the amount spent under unemployment insurance as a question of it being the duty of the government to try and get work for those in Canada who are in need of employment.

I have in my hand briefs and memoranda from the executive council of the Canadian Chamber of Commerce, the board of trade of metropolitan Toronto, the Vancouver board of trade, the Canadian Retail Federation, the Canadian Manufacturers Association, the Canadian Labour Congress and the Canadian Construction Association. All these put together represent the most important part of the population of Canada. If we take into consideration the families of those interested in these associations we can see that this represents almost the entirety of the Canadian people. They are all opposed to the bill as it is now proposed to the committee. I do not understand how in the face of so much opposition from various important groups in Canada

the minister feels he can impose his own views on the Canadian people, or perhaps the views of the Minister of Finance or of Mr. Coyne, who was a Conservative.

We can find in history examples of people who have sought to impose their will on the majority, who thought their views better than those of the rest of the world. There is one particularly dramatic example which comes to mind of one who followed this course of action. He enjoyed brief success for a limited time, but finally was defeated and licked. If the minister does not want to be defeated and licked with the present government he should do as we ask and suspend the study of the bill and allow an independent commission to study it so we may come up with legislation that will be acceptable to the majority of people in Canada.

(Translation):

Mr. Ricard: Mr. Chairman, I have two reasons to take part in this debate. First, I should like to make some general remarks with regard to this legislation and, second, I should like to set the record straight about the statements made by the hon. member for Hull (Mr. Caron).

The object of this legislation, Mr. Chairman, is to ensure greater protection for labour as well as to provide for the stability of the unemployment insurance fund. The bill, of course, indicates to what extent this government thinks in terms of the have-nots; it follows upon the improvements introduced since the Conservative government came to power, and improves the unemployment insurance act in various ways.

The improvements brought about since June 1957 mean that $68 million have gone to the workers under various types of protection, when they were without jobs.

Mr. Chairman, the negative attitude of the Liberal opposition is inadmissible, since it is directly contrary to labour interests. All the noise made by our friends has but one purpose: to distract public attention so that people might forget about our friends' indifference towards labour.

The Liberals, as you know, in the course of the last two sessions, kept drumming into our ears: "What is the government going to do to help the unemployed whose unemployment insurance stamps are now exhausted?" Well, sir, we now have before us a bill designed to improve the situation. But, through their obstruction, Liberal members are merely delaying its adoption.

They objected so much that it has become impossible, Mr. Chairman, to adopt this bill for the 1st of July. As a result, the unemployed, that our Liberal friends want to hold so close to their heart as to stifle them—will be deprived, because of the lack of co-operation of the Liberals, of the aid that we, the Conservatives, wanted to give them.

Surely, Mr. Chairman, the working people will not easily forget the lack of co-operation of those who criticize us for not doing enough for the working class.

Besides, because of their obstruction, according to the press, the delay in adopting Bill No. C-43 has deprived Canada of a great honour that was being done to it this year. In fact, according to the press, we know that our Minister of Labour had been asked to preside at the International Labour Congress which is to meet in Geneva. It is clear that our Liberals friends, who never had a similar honour offered to them, were quite disappointed about it. So, they went out of their way to force the minister to decline this invitation.

Mr. Chairman, I spent nearly twenty-five years of my life among workers, and I do not think I am boasting when I say that I know something about the sentiments of labour. Every weekend, so as to keep contact between grass and brass, I have interviews in my St. Hyacinthe office with workers of various classes and manufacturers of my city. I discussed this bill with them and all of them, without exception—whether they represent the textile or metal industry or any other industrial branch—recognize the necessity of this legislation and are unanimous in their support. The workers are pleased with the concern shown them by the Minister of Labour who can claim to have been a real workman himself. Therefore they are ready to play their part, knowing that if they do not personally benefit from the bill, some fellow-worker will. And I may add, Mr. Chairman, that our workers are indignant about the Liberal attitude.

Mr. Chairman, as a member of the committee on industrial relations, I attended practically all meetings save one or two, when business kept me away. I may say, Mr. Chairman, that the speech made yesterday by the hon. member for Hull shows that some people want to create in this house the same atmosphere that prevailed when this bill was considered in committee.

We witnessed some pretty disappointing performances. Indeed, we had expected a better example from the—I might say distinguished members of the opposition. We only need, Mr. Chairman, to refer to the press of May 27 or 28 and June 4 and 5 to realize that this was due to two men only who wanted to steal the show and get their names in the papers. That exhibition, Mr. Chairman, was most discouraging for us younger members who have been here only a short time.

Mr. Chairman, yesterday we saw the member for Hull play the martyr, claiming that the Liberals were given a raw deal by the chairman of the industrial relations committee. In an attempt to mislead people of good faith, he built up a pack of lies so as to have people believe that the Conservative members, and especially the chairman of the industrial relations committee, had been unfair to the Liberals. Mr. Chairman, it was quite the contrary. In fact, the hon. member for Danforth did an excellent job as chairman, but he had no choice when Liberal members—especially the member for Hull and the hon. member for Essex East (Mr. Martin)—were out of order.

Mr. Chairman, I believe that members who have been sitting in this house for some time know quite well that those two members are no novices and have more than one trick up their sleeves when it comes to making their views known to the public, even when they know that they are out of order.

At this point of my remarks, Mr. Chairman, I want to refer to the speech that the hon. member for Hull made yesterday. Here is what the hon. member had to say, according to page 4754 of the English *Hansard*:

> In fact, twice we had to leave the meeting in protest, because we were being denied the required information, and this as a result of the line followed by the hon. member for Danforth who was chairman of the committee. Therefore, we missed part of those sittings and the opportunity was taken to rush things through.

Mr. Chairman, it is true that when the Liberal members left the committee meeting for the first time, we were discussing the bill. However, when they left the room for the second time, the committee was studying the submission of the Canadian and Catholic Confederation of Labour. Therein lies the falsehood advanced by the hon. member for Hull when he claimed that we had refused the required information.

May I refer to report No. 4 of the industrial relations committee and read the following from page 169:

(Text):

> Mr. MacInnis: I would like to draw to your attention, Mr. Chairman, and to that of the clerk of the committee, that the Conservative members alone with the C.C.F. members of this committee have stated that we should continue this discussion at the desire of Mr. Marchand who said he would like to continue and finish the business of the committee.
>
> The fact that the Liberal members have walked out is in no way a reflection on the Chair, and is not in accordance with your wishes or those of any member of this committee because we, along with Mr. Peters of the C.C.F. are abiding by the wishes of the gentleman presenting this brief.

(Translation):

As witness page 296 of the 8th report of the committee on industrial relations, the hon. member for Essex East was saying:

(Text):

> Mr. Martin (Essex East): We have to leave now. We have this other engagement. It is most unfortunate. But would you care to put that on the record?

(Translation):

Mr. Chairman, in the light of those facts, it is obvious—

Mr. Martin (Essex East): Was it a question that I was putting to someone?

Mr. Ricard: I will answer your questions when I am through with my remarks, if you don't mind.

It is obvious, Mr. Chairman, in the light of the facts, that the Liberals did not leave the committee meeting because they were being denied information, but because they wanted to be dramatic and attempt to divert public attention, knowing full well they were wrong in so leaving.

Mr. Martin (Essex East): That is no argument.

Mr. Comtois: They are veteran actors.

Mr. Ricard: Mr. Chairman, this bill is of such merit as to command the good will and the co-operation of all members of the house. I therefore ask all hon. members to co-operate in putting it through as soon as possible, for the benefit of all who are unemployed.

(Text):

Mr. Peters: In rising to speak to this bill, Mr. Chairman, I think it would be only fair to the members of the industrial relations

committee that an answer be made to some of the charges that have been levelled by the previous speaker, the hon. member for St. Hyacinthe-Bagot. He pointed out that delays which took place were brought about by the opposition—

Mr. Ricard: I was referring to the Liberals only, not the C.C.F.

Mr. Peters: We are part of the opposition.

Mr. Starr: One and the same.

Mr. Bell (Saint John-Albert): Is the hon. member for Essex East your leader?

Mr. Peters: Not necessarily the same, but I think we are subjected to somewhat the same pressures as are exerted on the official opposition, and certainly the conduct of this particular committee bears some investigation.

I should like, first of all, to comment on this particular committee. It seems to me that perhaps this is a good time to suggest that the chairmen of the various committees be given some instruction in conducting the operations of committees so that those committees will produce what the committees were set up to produce, and so that they will handle business referred to them. It seems to me that in discussing these amendments to the Unemployment Insurance Act we were entitled to a full discussion of all the aspects, all the ramifications of the amendments, and to receive all the advice possible in order to make the best decisions for the Canadian workers.

It has been said that in asking these questions and in making this appeal we were assisting in the delaying techniques. I should like to make it very clear that we did not delay on this particular matter. There is no hurry to pass this particular legislation which is going to affect a lot of people and which is going to confer upon the workers of Canada very limited benefits. In my opinion these amendments will result in not over a 5 per cent increase in the three categories to which the amendments apply, while at the same time there will be a 30 per cent increase in the contributions to cover this small increased benefit.

I am unhappy that this bill has to be introduced at this time, and that this has prevented the Minister of Labour from attending the conference in Geneva. I think he will be aware of the high regard in which he is held by the Canadian people generally and he will be also aware that his personal magnetism and appeal have carried him into a position where he was offered this honour. It is unfortunate that the members of his party did not see fit to delay this legislation to allow him to attend this conference. I think we are all very happy at the honour which was accorded to him, and certainly we will not oppose the postponement of this bill if he wants to get on a plane this afternoon to attend that conference. I do not believe it can be fairly said that we wish to delay him here and prevent him from accepting this particular honour.

This particular industrial relations committee, Mr. Chairman, was conducted in what I consider to be a most unparliamentary manner. I think it was being run like a fraternal order, and the chairman, having had some experience in that field, followed the procedure he learned in these other organizations and certainly did not follow parliamentary procedure. I should like to refer to some of the instances in which this was quite obvious. I have always believed that a chairman's duties were to conduct the meetings in a parliamentary manner and that his duties as committee chairman did not include direction. He is not supposed, in my opinion, to be giving directions, according to Roberts' rules and orders or any other book on parliamentary procedure that I have seen. I should like to give one example which is found on page 20 of the evidence of the committee, and I quote:

> The Chairman: You are asking him for two opinions, you are asking his opinion as a representative of the Canadian Construction Association and then you tie it in with his appointment as a representative on the unemployment insurance advisory committee. That has political implications. I will rule it out.

Then, there is some discussion about whether or not there is anything wrong with political implications. Later, on the same page, we find this:

> The Chairman: Just a moment. I rule that the individual himself has the choice as to whether he will represent the construction association or represent the unemployment advisory committee. When he has made that choice, then I will rule on whether or not he will answer the questions.

This ruling was not questioned because the hon. member for Essex East asked whether we would be allowed the opportunity of questioning the members or the chairman of the advisory committee and at that time the chairman of the committee said that would be all right; there was nothing wrong with that. On other occasions, when rulings of this nature were made, they were challenged. On page 40 of the evidence of the committee, we find this:

> The Chairman: Let me make this clear. I made a ruling and I wish it distinctly understood that when I make a ruling it will stick. There will be no argument at the time as to whether it is right or wrong.

I agree that it is up to the committee to make a decision. It is quite all right for the chairman to make a ruling if he wishes, but

that ruling is subject to the committee's decision. There is no discussion permitted at such a time, and the question has to be put immediately. There is no point in arguing the matter by the hour, and then finally having the chairman suggest you withdraw it or do something else. This is not the duty of the chairman, yet that continually happened. Again, on page 154, we see that there was a lot of discussion and then we find this:

The Chairman: You have asked a question and I maintain it is a leading question.

Mr. Martin (Essex East): That does not matter; this is not a court of law.

The Chairman: It does not matter.

Mr. Martin (Essex East): I suggest to you that you learn the rules of how to conduct the chairmanship. To suggest this reveals your incompetence to sit in that chair.

There is some further discussion and then the chairman says:

I am going to exercise my rights as chairman to the best of my ability.

There is considerable discussion, which there should not have been, and then the chairman says:

I am asking now that the Chair's ruling be sustained.

There was a motion before the committee at the same time, but these matters never came to a vote. They were usually decided by the chairman himself. He made the ruling and he was always quite willing to do these things. I do not believe that that is the duty of the chairman of any committee. I have sat as a member of a number of committees of this house, but this one was about the worst conducted committee of them all. In fairness to the chairman I will say that he was dealing with several people on that committee who had a great deal of experience in committee work, and they took full advantage of their experience. I do not believe that is a bad thing, but it may make it very difficult for a chairman. I believe some training should be given to chairmen of committees so that this does not happen again because, in my opinion, such happenings reduce the value we receive from committee work. If the chairman of the committee is going to decide what is going to be asked, who is going to ask it and many of these other things which are not proper duties of the chairman, then it seems to me we are going to eliminate a great deal of the value of committee work.

It seems to me there were two implications in these amendments. In the first place, the officials of the department had taken a particular position, which I would expect them to take. Having been advised by the senior officials of the government, they made certain studies which resulted in certain figures and facts. These men are civil servants and therefore have to pay attention to the dictates of the government or they will get the axe, just as many people in the past have got the axe for not following the dictates of the government.

Some hon. Members: Oh, oh.

Mr. Peters: There is no point in naming them. The same thing has happened since this particular government has been in office. Quite a number of people have been resigning with a little help. I do not think that there is any need to go back farther than a day or two when we were informed that one was resigning. I do not know whether or not he has done so.

An hon. Member: Why don't you get down to the bill?

Mr. Peters: Mr. Chairman, in my opinion we had this type of interjection all through the committee discussions, such as "Why don't you get down to the bill?" "Why don't you leave the advisory committee alone?" and, "Why don't you quit asking these people embarrassing questions?" I maintain that one of the major sources of information was the advisory committee. At no time were we allowed to discuss this matter. In my opinion the chairman misrepresented some of the decisions that had been made in the house. He misrepresented the contention that the advisory committee was not to be called or was not allowed to be discussed.

Mr. Grafftey: I rise on a point of order, Mr. Chairman. I should merely like to suggest that Mr. Speaker has already made his ruling in the house on the calling of the advisory committee. I suggest that the hon. member is out of order in raising the matter again at this time, as His Honour the Speaker has already made his ruling.

Mr. Martin (Essex East): Mr. Chairman, we do not want to take time away from the hon. member who has the floor but I want to say that this intervention is not correct. The Speaker of the house never ruled on the discussion of the report or the actions of the advisory committee whatsoever. I am sure that on reflection the hon. member will realize that he has made an error. I think the hon. member who now has the floor is in order.

The Deputy Chairman: As I understand it, the hon. member is referring to what happened in the committee. Is that right?

Mr. Martin (Essex East): Yes.

The Deputy Chairman: The proceedings of this committee have been reported to the house. They are now in the hands of the house. The hon. member for Timiskaming may continue.

Mr. Peters: I think this is the type of interjection—exactly the same as the one you have just now witnessed—that we were continually faced with, not only by the chairman but by certain members of that committee and they misrepresented and gave incorrect advice I would suggest to the chairman of that committee.

Mr. Spencer: Mr. Chairman, I rise on a point of order. The hon. member has made an allegation that the chairman of this committee misrepresented to the committee what occurred in the house. In my opinion that statement is out of order, is a reflection on an hon. member of this house and should be withdrawn. That is my point of order.

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

Mr. Caron: On the point of order, Mr. Chairman, may I say that it was proved in the committee that what the chairman said was not exactly what the Speaker of the house had said on the matter that was being discussed at the time. If that is not misrepresenting the words of the Speaker, I do not know what you can call it. I believe it was misrepresented.

The Deputy Chairman: I do not care for the word "misrepresented" I do not think that is quite fair. One might say something similar. I hope the hon. member will withdraw that word.

Mr. Peters: Probably the word "misinterpreted" would be a more parliamentary word although probably not quite as accurate.

Mr. Spencer: I rise on another point of order, Mr. Chairman. I do not think it is quite right for the hon. member not to make a complete retraction of that word. There is no doubt that he represented to this committee that the hon. member had misrepresented something in the committee. If he wishes to use the word "misinterpreted" in its proper sense I would think that would be quite in order. However, I do not think it is proper not to retract the word "misrepresented".

Mr. Pickersgill: On that point, Mr. Chairman, may I say this. I have never previously heard it argued that the word "misrepresented" was unparliamentary. If it were imputed to an hon. member that he had deliberately misrepresented something, I think that would create for that hon. member a question of privilege but that it would not create for some extraneous hon. member, a friend of the hon. member, any question of privilege. It seems to me that the only hon. member who would have a question of privilege is the hon. member who is chairman of this committee.

[The Deputy Chairman.]

Mr. Peters: In referring to this matter at all, Mr. Chairman, I was trying to point out that we have maintained—and I think it was certainly maintained by the minister himself when he tabled one of the minutes of the advisory committee—that they have a bearing on the matter under discussion. I should just like to read from the submission made to the committee by the Canadian Manufacturers Association in which they point out the functions of the unemployment insurance advisory committee. They state as follows:

> What was intended to be and might well have been the most effective safeguard for the unemployment insurance fund is the unemployment insurance advisory committee. The act provides that it shall consist of a chairman and from six to eight other members. At least one of the members other than the chairman is to be appointed after consultation with organizations representative of employees and an equal number after consultation with organizations representative of employers.
>
> The main function of the advisory committee under the act is to make a report to the governor in council on the financial condition of the unemployment insurance fund at the end of each fiscal year and at such other times as it thinks fit. If the fund is or is likely to be insufficient to discharge its liabilities or is more than reasonably sufficient to do so, the advisory committee is required to recommend appropriate amendments of the act or the regulations (Sec. 89). The governor in council may also direct the advisory committee to investigate (1) the provision of unemployment insurance for any excepted employments either by extending to it the provisions of the Unemployment Insurance Act, modified if necessary, or by special or supplementary schemes; and (2) the rates of contribution and benefit of insured persons having regard to their earnings (Sec. 91).
>
> The constitution of the advisory committee is based on the recommendations of the final report of the Gregory royal commission on unemployment insurance in England which in 1932 inquired into the provisions and working of the British unemployment insurance scheme.
>
> Unfortunately the government has not always asked or paid attention to the advice of the advisory committee on the many important financial and other problems which have arisen during the eighteen years which the Unemployment Insurance Act has been in operation.

Because of the importance that has been attached to the advisory committee it was felt that this committee's findings and its deliberations were going to be heard by the committee. I think this procedure would only be fair if people were really interested in knowing what the situation was and what the situation was with regard to the recommendations of people appointed by various organizations to help decide on what amendments were necessary because of the unsatisfactory condition of the fund. I think that is only a fair assumption.

But if the government believes that political implications would accrue from such an investigation, then I can well understand the attitude taken. Having knowledge of what

its deliberations were the government and the chairman of this committee may well have decided that it would be advantageous to prohibit the investigation or the interrogation of the members of the advisory committee. However, when investigating and hearing the presentation of the first organization, namely the Canadian Construction Association, it was extremely interesting and most informative to note that their representative Mr. Urquhart also informed the committee that he was a member of the advisory committee. In discussing this matter with him and what he as a member of the advisory committee thought of the various amendments being proposed to the Unemployment Insurance Act, I think many facts were obtained by the small amount of discussion that took place before this matter was ruled out of order.

It was at that time pointed out that you could not sit on these two organizations, and I was given to understand we would be able to call him at some later date when he could represent not the Canadian Construction Association but the advisory committee which he sat on. I think it is not fair for the chairman to say he could not represent two organizations, because he was appointed to that advisory committee by the government as a representative of this other organization. They just did not go out onto the street and pick up John Doe and say, "You are a member of the advisory committee". They chose him because he was a representative of this large body, the Canadian Construction Association.

So I think the committee was not given all the facts. They were not given an opportunity to discuss with these people who have a working knowledge of what was to be accomplished by the unemployment insurance fund what advantageous amendments might be made, and what the extent of the contributions must be to maintain the fund. They could have suggested, as he suggested every time he had the opportunity, that there were other fields of unemployment insurance besides those which were covered or expected to be covered under an actuarial basis. I think we would have found out that our contention made a few weeks ago when this bill was introduced at the resolution stage, because of the fluctuation and the boom and bust in unemployment and employment, was correct and that it was absolutely necessary to establish now two separate funds rather than trying to fit everybody into the unemployment insurance fund.

It has been pointed out that this fund had reached the sum of $900 million. When we asked this representative who had sat on the advisory committee if he felt that this was too high, he said that in his opinion he thought it was a suitable figure. He went on to point out, as did very one of the delegations which came before the committee in my attendance, that the fund now a little over $400 million was in an unsatisfactory position financially. Everyone, with no exception, pointed out they were opposed, and violently opposed, to the amendments now being introduced to the method of obtaining an increase in that fund by the contribution ratio of 40 per cent from the employees, 40 per cent from the employers and 20 per cent from the federal government treasury. In every case they suggested the contributions have to be rebalanced so that a bigger share of the contribution would come from the federal government treasury itself.

In the previous suggestion that two funds be set up, I think from the discussions that took place in the committee this is the only type of recommendation that the industrial relations committee should have brought in, that there has to be established from actuarial figures how many people are employed in a normal period of economy. It has been suggested that the unemployment in the years 1954-55 and 1957-58 was abnormal, and that even balanced out over a period of five years we would have to have sizeable increases in this fund which has now dropped from a figure of close to $900 million to a figure of $454 million. These figures do not take into consideration the unemployment in the period 1958-59. I think it is plain to all hon. gentlemen that if we are going to compensate for large scale unemployment which is not in an insurable category, then we are going to have a different type of fund, a fund which is to be taken out of general revenues and would put into circulation the amount of money we are not able to carry. If this fund, with the unemployment which has taken place in the two periods 1954-55 and 1957-58, excluding 1958-59, has been reduced by one-half, then I suggest we would not be able to carry the fund no matter what the contributions were increased to over the next two or three years, if the fund continued to be depleted at the rate it now is.

It has been suggested that these contributions, the 30 per cent we are being asked to grant, are going to produce something like $78 million. There has been a great deal of discussion, Mr. Chairman, as to whether that is the right figure or not. We have heard many discussions about what are the actual figures. The director of insurance has pointed out on several occasions that these figures are estimates. Apparently if you estimate it one way you get one set of figures, and if you estimate it in some other way you get a completely different set.

Mr. Humphrys, the assistant superintendent of insurance, stated that instead of the 78 per cent figure given to the house previously the amount of increased contributions would amount to $97 million. He also pointed out that rather than the $20 million that was going to accrue to the workers in benefits, it could be as high as $24 million. He pointed out that the benefit in extending the period from 36 weeks to 52 weeks was only going to cost $11 million. Those new categories would receive an estimated benefit of $9,400,000, and those in the higher earning categories would receive a benefit of $3,100,000. It has been pointed out by all the organizations that it is unfair to ask the people who are employed in steady employment, the people who are not going to be unemployed, the people who will in most cases not receive any benefits at all from this measure, to raise their contributions to pay the extra 30 per cent to raise a total of $97 million. This is not fair when the workers can at the maximum only receive in return a sum of $20 million or $24 million.

Mr. Chairman, I would suggest that this matter be returned to the committee and that the committee be empowered to investigate the reports—yes, and the resignations—of the advisory committee, and that we should go very carefully into their recommendations and find out at least why they were unanimously opposed to the decision that the government has now taken in moving amendments to the Unemployment Insurance Act.

Mr. Martin (Essex East): In a matter of this kind, following the prolonged discussion we had in this house on this bill and the discussion which took place in the committee, one would have thought, particularly in the light of the almost unanimous representations made by national employers' and employees' organizations in Canada, that the Minister of Labour would have taken advantage at the earliest opportunity to put forward the government's point of view on this very important proposal, which imposes a burden of almost $80 million a year more on the workers of this country and on the employer groups.

However, the minister is responsible for his own policy. He is responsible for his own actions, and I have no alternative but to indicate that thus far the only speaker from the government side who has addressed himself to this matter was the hon. member for St. Hyacinthe-Bagot who said it was welcomed by the labour groups of this country, although, of course, such was not the case as has already been amply demonstrated, and as I will join my colleagues in proving.

We discuss this amendment now against a background of representations which have been made by a number of national organizations representing both the employers and the workers of this country, all of whom, in a remarkable display of unanimity, expressed their keen dissatisfaction with this particular bill, a bill which has received at the hands of the opposition both before and during the discussions in committee, and now, in these proceedings, an expression of objection consistent with what we believe to be the merits of our case and of the representations made by these various national organizations.

We now have further information which was denied to us during the course of the debate on second reading, information which was made available to us by officials of the unemployment insurance commission, in particular, during the committee proceedings. We now know that the proposed additional contributions now run, on the average, not as we thought up to 30 per cent more, but from 25 to 56 per cent more, and this without any change in the pattern of benefits. We now know that while an additional $100 million by way of revenue will be derived from the additional contributions by the workers and employers and by the additional contribution of the government of Canada, there will be less than $25 million by way of benefit. We also know some of the reasons why the government, faced with the perilous state of the unemployment insurance fund, was obliged to come before parliament this year and recommend some particular method by which this perilous state of the fund—this trust fund, as it was referred to by the governor of the Bank of Canada—could be replenished, keeping in mind possible unemployment in the fall of 1959 and the winter of 1960.

We now know that the losses suffered by this trust fund practically equal the additional contributions which this measure seeks to impose on the two main groups of contributors, the workers and the employers of Canada. We know that there was an actual loss of over $10 million—a realized loss—as a result of the investment by the investment committee of some of the securities held by the unemployment insurance fund. We do know from the evidence which we were able to adduce from the governor of the Bank of Canada that there was, and that there is, a book loss at market valuation as of about a week ago of $62 million, which makes, at the moment, both in terms of a realized and an unrealized loss, a loss of $72 million. Undoubtedly that, together with the heavy drain on the fund as a result of serious unemployment—a problem which this government was going to correct—has placed the government in the difficult position, in the light of its future obligations, of seeking to replenish a

fund contributed to by the three main partners in Canadian society, a fund which at one time stood at over $800 million and which, when we began our deliberations, was revealed as having a book value in terms of its securities of about $496 million. But, as the hon. member for Welland pointed out last night, that fund at the present time, taking into account book values and taking into account what its securities will realize, stands at well below $400 million and closer to $350 million.

When one takes into account the amount of money which was required this year to provide maintenance for unemployed people who could qualify for benefit, it is clear that if we have comparable unemployment next fall and next winter there will not be sufficient money in the insurance fund to provide what these contractual arrangements, dedicated by an act of parliament, were intended to provide for the unemployed, for the workers of this country who made provision, along with the employers and the government and the people of Canada, for this measure of insurance in preparation for such a high level of unemployment as we have experienced during the past 18 months.

That is the situation. Hon. gentlemen opposite say we are holding up a bill which would bring great benefits to the workers of this country. Assuming, just for the sake of argument, that there was validity in that proposition, let it not be forgotten that this bill was referred to in the address from the throne last January. Let it not be forgotten that on this side of the house on four different occasions we urged the government to introduce this legislation in the early stages of this session. Let it not be forgotten that this bill was reported out of the committee on the ninth day of June, and we were told in the committee by the director of the unemployment insurance offices that in order to make its benefits applicable by June 28 the bill would have to be passed and considered in parliament by June 11.

What reason did the government have, assuming the validity of its arguments, which I deny, for not bringing this measure forward at once when the bill was reported? Why did not the government bring in this bill in the month of January, or in February? The reason, I suggest to you strongly, Mr. Chairman, is that notwithstanding all the advertisement in the speech from the throne, the government had not settled on a policy at all. That was the reason for these delays and now in the dying days of this session, in the face of the opposition which exists all over the country to this measure, hon. gentlemen opposite suggest that we have been holding up the legislation which they pretend will be of great value to the workers and the employers of this country, although it is a bill which does not change the pattern of benefit at all, a bill which provides benefits of less than $25 million and which exacts further impositions from the workers and employers of this country to an extent of almost $80 million. The hon. member for Welland was correct. What this government has done, faced with this serious situation, is to saddle on the workers of Canada and on the employers the responsibility of doing something which this government itself has failed to do. That is the real proposition that confronts us now as we begin in this chamber the discussion of this bill.

In this committee we were supposed to be given an opportunity of knowing all of the facts involved in this matter. "When we get to the committee," we were told by the minister "you will be able to inquire about this and about that." We went to the committee. I want to indicate how inconsistent were some of the positions of the majority of the members of that committee who made it impossible for the small minority represented by this group and the group sitting immediately to the left of Mr. Chairman to carry on their work and to ascertain what were the facts.

We had asked that the members of the unemployment insurance advisory committee, the men who by experience, representing labour and representing the employers, would have been in a position to tell us why they were opposed unanimously in the summer of 1958 to this particular formula of increased benefits unless the government contribution was made to represent one-half of the total contributions of the workers and of the employers. Were we given an opportunity of examining the members of the advisory committee? No. On two distinct occasions we tried pursuant to the suggestions made when we were debating this matter on second reading and pursuant to the reports that were tabled by the Minister of Labour—one of which was tabled with great reluctance by him—to arrange to interrogate the members of the advisory committee as to why they could not accept the formula proposed by way of additional contributions. No, that was something that had been denied the members of the House of Commons when this was discussed on second reading, it was alleged this allegation was contrary to the facts. No, this advisory committee of the unemployment insurance commission had nothing to do with the bill and because of that no opportunity would be afforded to the members of this committee to ascertain from five employers

and from five labour men and the chairman of that commission why that particular body was opposed to increasing the contributions without changing the pattern of benefits.

And to show how inconsistent was that position taken by the majority of the committee, a motion was made by the hon. and respected member for Hamilton South that we be given an opportunity to examine the members of the investment committee, the governor of the Bank of Canada and his two colleagues, the deputy ministers of labour and finance. That motion supported by the opposition was, of course, carried. What difference in principle was there in allowing us to examine, as we were properly entitled to examine, the members of the investment committee and at the same time denying us the right to examine the members of the advisory committee?

This government and the majority of the members of the government party on that committee will undoubtedly pass this bill by sheer force of numbers but in so doing the record will be clear that they denied the minority of the committee the right to examine the members of the advisory committee who more than any other group were seized with the reasons which justified or failed to justify this additional imposition on the workers of our country. That no hon. gentleman in this chamber can deny and there is no escape from that situation now for hon. gentlemen who sit to Mr. Chairman's right.

Mr. Starr: Mr. Chairman, may I ask the hon. member for Essex East a question. Did the hon. member confer with the advisory committee in 1950 when he piloted a bill through parliament to include seasonal workers and when he raised the rates of contribution by 15 per cent?

Mr. Martin (Essex East): I will be very glad to answer that at some point but my time is very limited—

Mr. Starr: Now, if you will.

Mr. Martin (Essex East): Mr. Chairman, my time is limited and I am going to get this over.

Some hon. Members: We will give you the extra time.

Mr. Martin (Essex East): At five o'clock we have to proceed to the consideration of private bills. However, I shall deal with it. Not only were we denied the right to interrogate the members of the advisory committee but we were denied—

Mr. Broome: Answer the question. Say "yes" or "no".

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): Here is the old steamroller again, the same kind of obstruction that attended us throughout the thirteen sitting days of this committee.

Mr. Starr: Mr. Chairman, would the hon. gentleman permit a question?

Mr. Martin (Essex East): When I am through. The record will let the workers of this country know that now when we are discussing this measure in the chamber the same tactics are once again being employed by hon. gentlemen opposite.

Mr. Starr: You are employing them now.

Mr. Martin (Essex East): We were denied the opportunity of seeing the report of the actuary. One report of the actuary, Mr. Humphrys, was placed before the committee. I complained at one point that we were not given the report and the chairman in a display of great generosity said, "Oh yes, here is the report; you may have it." Sure enough, it was a report of the actuary, but it was not the report for which we were looking. It was not the report referred to by the advisory committee in the month of July, 1958.

What are the facts? The advisory committee in the month of July, 1958, when it took the position that it could not agree to this particular formula of increased contributions, asked for a further report from the actuary. That report was given to the advisory committee at a subsequent date. Why was that report not made available to the members of the committee? If the previous report was properly tabled and properly open to the scrutiny of the members of this committee, why were they denied the second report? Is there something in that report that further confirms our apprehensions about the invalid and untenable position taken in this bill, when the government seeks to impose contributions without arranging for an improvement in the pattern of benefits, seeking to impose on the two main contributing groups the responsibility which I say rests with the government in the face of the large unemployment that has prevailed in this country over the past two years?

The fact that men who have exhausted their benefits have continued to receive assistance out of the insurance fund rather than out of public assistance means only one thing, as the hon. member for Welland properly indicated last night, and that is that the government faced with a heavy deficit position in the country as a result of the budgetary picture given to us by the Minister of Finance on April 9, seeking to minimize its difficulties in that particular has sought

to replenish the fund at the expense of the workers and the employers of Canada. That is the gist of the representations made by the Canadian Manufacturers' Association.

Mr. Starr: Mr. Chairman, may I ask the hon. member a question at this point?

Mr. Martin (Essex East): Well—

Mr. Starr: Did not the hon. member for Essex East vote for the extension of seasonal benefits?

Mr. Martin (Essex East): Of course I did, Mr. Chairman, and I am glad I did. But when we provided seasonal benefits, unlike this government we replenished the unemployment insurance fund out of consolidated revenue on three occasions. This is the whole nub of the argument.

Mr. Starr: Mr. Chairman, on a point of order, what the hon. member for Essex East has said is not true. The hon. member piloted a bill through this house which included seasonal workers and raised the contributions by 15 per cent—

Mr. Martin (Essex East): Mr. Chairman, this is argument and my hon. friend can deal with it on the proper occasion but I am afraid he will find he is wrong.

Mr. Starr: I am simply trying to set you straight on the facts.

Mr. Martin (Essex East): On the three occasions when that course was taken by the government I gave the dates and I gave the amounts.

Mr. Starr: It was $1,800,000.

Mr. Martin (Essex East): The government consolidated revenue fund was used to replenish the fund.

Mr. Starr: The statements the hon. member is making are all malarkey.

Mr. Martin (Essex East): I can well understand how anxious my hon. friend is because he—

Mr. Starr: Is just giving the facts, and the hon. member cannot repudiate one of them.

Mr. Martin (Essex East): —knows that it is not a very popular measure with labouring groups in our country. I call his attention to a statement which may have escaped him. He and I live in constituencies where there are automobile workers. One of the members of the advisory committee representing labour was Mr. George Burt, the director of the united automobile workers. Here is a telegram he sent to the committee.

An hon. Member: What page?

Mr. Martin (Essex East): Page 321. The chairman read it out. It reads as follows:

> Deeply concerned about proposals made to your committee by Honourable Michael Starr concerning amendments to Unemployment Insurance Act. As a former member of unemployment insurance advisory committee I am fully aware of the discriminatory result of such proposals upon insured population if they are put into effect. Urge your serious consideration of proposals made by Canadian Labour Congress to your committee recently most of which have been supported by opposition members of your committee.

Mr. Starr: Mr. Chairman,—

Mr. Martin (Essex East): Will the hon. member for St. Hyacinthe-Bagot still suggest that the labouring groups of this country welcome this measure? Let me remind him of the words of Mr. Marchand of the Catholic syndicates and see whether or not he supports the view of the hon. member for St. Hyacinthe-Bagot?

An hon. Member: Page?

Mr. Martin (Essex East): Page 4 of the brief presented to this committee by Mr. Marchand.

(Translation):

> Finally, for the reasons we mentioned in the previous paragraphs, we are opposed to the proposed increase in the amount of the contribution. In our opinion, it is unwarranted and saddles the insured with a financial burden which should be taken care of by another fund than the unemployment insurance fund.
>
> We wish to stress here that we are not opposed in principle to higher contributions provided they are designed to increase the benefits of the insured.

That, Mr. Chairman, is the approval of the Quebec workers.

(Text):

Then, we have the observations of the retail merchants association, the Canadian Construction Association, the Canadian Manufacturers' Association and the Canadian Chamber of Commerce. Never were labour and management so united in a common position against a measure taken by any government, I believe, in the history of our country.

It is all very well for hon. gentlemen to say that this measure is one which deserves to be passed quickly. It does not matter they say whether it imposes almost a third by way of additional hidden taxation on two segments of the people of Canada that is proposed in the recent budget; it does not matter whether 25 per cent to 50 per cent by way of additional contribution is going to be imposed upon the workers of this country. This fund has to be replenished, says the government. We have heavy unemployment. The fund is running out and although we have used a good part of that fund for purposes of public assistance we, nevertheless, because of the financial situation facing us in the country, must impose

that burden on the workers and the employers of this country. That is what this bill means in so far as clause six is concerned.

Let us examine some of the features of this bill. The increase in benefits, we are told, derived from the addition of two new classes of benefits, will come to something between $9 million and $10 million. The estimate of additional benefits to be provided by the extension of the benefit period from 36 to 52 weeks will be somewhere between $10 million and $12 million. The estimate of new benefits which may result from higher allowable earnings will amount to something between $2 million and $3.3 million. Therefore, the total additional benefits provided by this bill will vary from $21.9 million to $25.3 million.

Now, let us look at the added revenue that is going to be derived from this measure. What is the expected additional revenue resulting from the addition of two new classes of contributions? Something between $15 million and $17 million, we were told. What will be the additional revenue derived from the raising of the income ceiling from $4,800 to $5,460? The answer is somewhere between $2 and $3 million. What will be the additional revenue provided by the increase of between 25 per cent and 56 per cent in the level of contributions? It will be somewhere between $75 million and $80 million. The government's contribution will be roughly $16 million. Therefore, Mr. Chairman, the total increase in contributions of about $100 million, of which the government will pay about $16 million, is the revenue position. The workers and industry will pay $85 million more annually and will receive a little more than $20 million in additional benefit. That is in general the reason, one of the main reasons, why the opposition groups, representing in this instance the employers and labouring groups in Canada, are vigorously opposed to shouldering on labour and industry the responsibility that belongs to the government of Canada.

The Deputy Chairman: Order. It being five o'clock, it is my duty, pursuant to standing order 15 (3), to leave the chair in order to permit the house to proceed with the consideration of private and public bills.

Progress reported.

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to standing order 15 (3).

[Mr. Martin (Essex East).]

PRIVATE BILLS

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF PRINCE RUPERT

Mr. W. C. Henderson (Cariboo) moved the second reading of Bill No. S-23, respecting the Roman Catholic Episcopal Corporation of Prince Rupert.

He said: Mr. Speaker, I should like to move the second reading of Bill No. S-23, respecting the Roman Catholic Episcopal Corporation of Prince Rupert. As sponsor of this bill, it is my privilege to provide information to this house and reasons why favourable consideration should be given to its passage. The area served by the Roman Catholic Episcopal Corporation of Prince Rupert comprises 135,000 square miles between the 53rd and 58th parallels of latitude and from the Pacific to the Alberta border in British Columbia, including the Queen Charlotte islands. The total population of the area is between 85,000 and 90,000. The catholic population of 12,500 includes about 4,000 Indians. There are seven schools with four more in the process of being built, together with 12 churches and 12 rectories. This compares with four churches, four rectories and one school at the time of incorporation in 1924. Most of the towns in the area have doubled their population in the last five years. This recent increase and the anticipated increases in population are the reasons for the removal of the restrictions on the value of real estate held by the corporation and the period during which it may be held.

As to subclause 3 of clause 4 of the act in its present form, several recent statutes incorporating religious or eleemosynary bodies contain no limitation on the value of the real property which may be held by such bodies. Moreover, in several recent instances private acts have contained provisions removing such limitations not only for the future, but retroactively. Provisions imposing a time limit on the holding of unused real estate, such as are contained in subsections 4 to 7 inclusive of section 4 of the act in its present form have been omitted in some recent incorporations of religious bodies, such as the act to incorporate Oblate Fathers of Assumption Province and Bill No. S-18 which received third reading in the Senate on April 23 last, an act to incorporate the Lutheran Church of Canada.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

Mr. Speaker: There are a number of divorce bills standing on the order paper for second reading. Is it the pleasure of the house that these bills be taken in one motion?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill SD-302, for the relief of Roger Myre.—Mr. McCleave.

Bill SD-303, for the relief of Lee Dacks Moscovitch.—Mr. McCleave.

Bill SD-304, for the relief of Lillian Goldbloom Howard.—Mr. McCleave.

Bill SD-305, for the relief of Giovanni Cavallero.—Mr. McCleave.

Bill SD-306, for the relief of Lorna Frances Hutchinson Kerr.—Mr. McCleave.

Bill SD-307, for the relief of Jessie Balfour Mains McCartney Manson.—Mr. McCleave.

Bill SD-308, for the relief of Guy Charbonneau.—Mr. McCleave.

Bill SD-309, for the relief of Meade Alexander Morgan.—Mr. McCleave.

Bill SD-310, for the relief of Carol May Campbell Williams.—Mr. McCleave.

Bill SD-311, for the relief of Adela Hawthorne Pattison.—Mr. McCleave.

Bill SD-312, for the relief of Samuel Currie Millar.—Mr. McCleave.

Bill SD-313, for the relief of Helen Mary Margeson Ransome Scudamore.—Mr. McCleave.

Bill SD-314, for the relief of Claire Anna Theresa Verdon Monette.—Mr. McCleave.

Bill SD-315, for the relief of Constance Erna Medcalfe Blood.—Mr. McCleave.

Bill SD-316, for the relief of Norma Margaret Martin Raymo.—Mr. McCleave.

Bill SD-317, for the relief of Audrey Barrasford Milburn.—Mr. McCleave.

Bill SD-318, for the relief of Sandra Stoll Goldenberg.—Mr. McCleave.

Bill SD-319, for the relief of Edith May Driscoll Jeffrey.—Mr. McCleave.

Bill SD-320, for the relief of Joyce Ethel Commerford Brewster.—Mr. McCleave.

Bill SD-321, for the relief of Hirsch Glaser.—Mr. McCleave.

Bill SD-322, for the relief of Maria Gagne Cote.—Mr. McCleave.

Bill SD-323, for the relief of Gail Patricia Northrup Brazauckas.—Mr. McCleave.

Bill SD-324, for the relief of Gilbert Forest.—Mr. McCleave.

Bill SD-325, for the relief of Yvon Poulin. —Mr. McCleave.

Bill SD-326, for the relief of Karl Wilhelm Oskar Bartels.—Mr. McCleave.

Bill SD-327, for the relief of Joseph Aime Paul Guy Genest.—Mr. McCleave.

Bill SD-328, for the relief of Allan Ray Wright.—Mr. McCleave.

Bill SD-329, for the relief of Michael Kalabiha.—Mr. McCleave.

Bill SD-330, for the relief of Joyce Ann Breaker Lee.—Mr. McCleave.

Bill SD-331, for the relief of Zina Goffman Filler.—Mr. McCleave.

Bill SD-332, for the relief of Omula Karnitis Rakauskas.—Mr. McCleave.

Bill SD-333, for the relief of Joseph Bernard Alberia Gustave Lahaise.—Mr. McCleave.

Bill SD-334, for the relief of Michael Palangio.—Mr. McCleave.

Bill SD-335, for the relief of Grace Evelyn Heggtveit Richter.—Mr. McCleave.

Bill SD-336, for the relief of Ross Kevin Ladd.—Mr. McCleave.

Bill SD-337, for the relief of Georgina Horne Parsons.—Mr. McCleave.

Bill SD-338, for the relief of Esther Paula Beernaert Martindale.—Mr. McCleave.

Bill SD-339, for the relief of Audrey Bruce Laborgne.—Mr. McCleave.

CANADA ELECTIONS ACT

EXTENSION OF RIGHT TO VOTE AT ADVANCE POLLS

The house resumed from Friday, March 6, consideration of the motion of Mr. Fisher for the second reading of Bill No. C-10, to amend the Canada Elections Act (voting at advance polls).

Mr. G. H. Aiken (Parry Sound-Muskoka): The hon. member for Port Arthur (Mr. Fisher) introduced a similar bill at the last session of parliament, and at that time I supported the bill. I think it is rather significant that this bill was under discussion last year on June 17, one year ago tomorrow. I have not discovered any reason during the past year for changing my opinion about the bill in principle. The proposal by the hon. member for Port Arthur is a sound one.

I believe that the provision for voting at advance polls must be enlarged. I have certainly no intention, Mr. Speaker, of repeating the speech I made last year in connection with a similar bill. At that time I did mention various cases where the narrow provision of the act as it now exists prevented people from voting at advance polls who should have voted. I pointed out the provision which limits the class of persons who may vote, and there is a restriction even within that class. I felt also at that time that the ninth and tenth days before polling date were actually too early to give the voters a proper picture and a proper opportunity to evaluate their candidates.

In view of the discussion we had last year, I took very special note of the voting in the recent Ontario provincial election, particularly with regard to advance polls. We all know, I believe, that in Ontario the privilege of voting at advance polls is very much the same as proposed by the hon. member for Port Arthur. In other words, any person who is otherwise qualified to vote, and who has reason to believe he will not be present in the riding on polling day has the right to apply for and receive a ballot at the advance polls. There is no class of persons specified and there is no limitation on the persons who may vote. If a voter has good reason for believing he will be absent, then he may vote. I also noted during the provincial election that there did not seem to be any great rush of voters to the advance polls; there did not seem to be any snarls. I must say that I, myself, took advantage of the opportunity of voting at the advance poll in my home town when it appeared that I would be absent in Ottawa. I was rather pleased to have the opportunity of seeing how the voting was carried out and how it would work out if we used the same provision in federal elections. I certainly was unable to see any objection to it.

There have been objections raised to enlarging the class of persons who may vote at advance polls. One such objection is that too many people would vote and that, in effect, we would have four polling dates instead of one. This seems to have been an objection raised by the electoral officials, and it is one which has been raised from time to time by other persons. We have a rule that there shall be one polling day in Canada, and the fear is that we might have more than one if a large number of persons were to vote at advance polls. Certainly the experience in the past has not indicated that would happen in federal elections. The experience in the last provincial election has not indicated there would be that large number of persons voting so that there would be, in any way, an infringement of the rule against more than one polling day. I observed that the D.R.O. and the poll clerk seemed to have plenty of time to handle the votes, and in fact could have handled a great many more without any difficulty. For these reasons, I feel that this objection would not be valid.

I have heard it stated that enlarging the advance poll provision might make an election more expensive. This may be true to a very slight extent. I would imagine more forms would have to be printed, and so forth, but I cannot see that such a provision would necessitate any additional polls being established. The present provision for advance poll and those who present themselves the advance poll staff could handle three, four or five times as many voters as they do. I cannot see that any great increase in expense would be required.

There has not yet been sufficient time to analyse the results of the advance polls in Ontario during the recent election. From what I have been able to learn from electoral officials and others, I would say that no great difficulty was experienced and a lot more people could have been handled if they had appeared.

In so far as the hours of voting are concerned, the present act requires that the polls shall be open from two o'clock in the afternoon until ten o'clock in the evening. I am prepared to agree that this provision is proper and that there is no reason for changing it. I think that many people who are going to be away on voting day are people who would work during the day and who would have to have the privilege of voting in the evening in order to take any advantage of advance poll arrangements.

I should like to discuss for a moment the actual days when the advance poll should be held. I have done a great deal of thinking about this matter since it was raised last year and also since it was raised recently in the committee on privileges and elections. There are really three possible days or three possible sets of days on which the advance poll could properly be held. As proposed by the hon. member for Port Arthur, the poll would be held on Friday and Saturday, the tenth and the ninth days before polling day. I said last year—and I am still of the same opinion—that this is quite a long time before polling day on which to hold the advance poll. It has, however, the advantage of including Saturday; and I think Saturday is an important day on which to hold an advance poll. Those who will be away during the week on voting day will have the advantage of voting on Saturday and I think that is essential.

We could also have the advance poll held as at present, namely on the Thursday, Friday and Saturday immediately preceding the polling day on Monday. Last year when the matter was discussed I felt that these were preferable dates and I still think so. I think this is the case in view of the fact that the actual number of people who will vote should not increase too much merely because of enlarging the class of people who may vote.

There is the difficulty that the advance poll is very close to the polling date and that if any cross-checking of lists is to be done as between those who have voted at the advance poll and those who present themselves the

following Monday it certainly does not leave much time for checking lists from the time when the advance poll closes on Saturday night until the time when the regular poll opens on Monday.

There is a third possibility which I should like to put forward and which I think would be worthy of consideration, namely that the advance poll might be held on Monday, Tuesday and Wednesday, the seventh, sixth and fifth days before the polling date. This time would appear to be most suitable. It is in accordance with the practice in Ontario and it is a reasonable time before polling day. It allows three days in which lists may be cross-checked, if such cross-checking is required, and it still is not too close to the voting day. The only difficulty with regard to Monday, Tuesday and Wednesday is that there is no Saturday voting date and there may be a class of persons who cannot vote on the Monday because they are away working and who would still be away on Monday, Tuesday and Wednesday of the previous week. I think the actual voting day is a subject that could very well be considered in the committee on privileges and elections. But pending any such decision I would feel that the present date—that is, Thursday, Friday and Saturday before polling date—would be the most suitable one.

The privileges and elections committee is now discussing the whole situation with respect to the elections act. However, the committee is at the moment considering only those suggestions that have been made by the chief electoral officer. It is rather interesting to note that the chief electoral officer has not recommended any changes in the advance polling arrangements. What is being discussed—and what he has proposed—is mainly a series of procedural changes brought about to tighten up the provisions of the act and to prevent certain fraudulent and improper practices that prevailed as a result of two certain elections in recent times. I believe these amendments are suitable and will be adopted.

However, owing to the late date on which the election act was referred to the committee, the whole consideration of the act has not been undertaken and probably it will not be undertaken at this session. I am hopeful that next year the privileges and elections committee will have the act referred to it in its entirety and that we shall have broader terms of reference so that the act can be studied and revised throughout in preparation for the next general election.

I would also hope that next year the committee would be set up earlier so that it can get at this most important amendment and take some time at it. One of the difficulties of this committee this year has been that we were late in starting. We have been competing with a large number of other committees for attendance and it has been most difficult to get down to a serious discussion of the broader terms of the elections act. I think there is no point in referring the present bill to a committee at this session, particularly the privileges and elections committee. I know it is the intention at the next session to consider advance polling arrangements along with various other substantive changes in the act. If the bill should come to a vote today I would vote in favour of it because with the principle of it I am entirely in agreement. However, I do not think that this is a case where any particular advantage would be gained by bringing the bill to a vote.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the bill before the house this afternoon is one of those hardy perennials that appear on the order paper from year to year. It is inevitable, of course, that all hon. members should be interested in the subject matter of the bill, namely increasing the interest and the percentage of the electors participating in our regular federal elections. One of the problems of democratic government is, the tendency for a large percentage of the voting population to be lukewarm in their interest in the electoral process. In recent years from time to time we have had drawn to our attention the fact that a relatively small number of voters, as compared with the total possible, exercise their franchise. In the past two federal elections there has been an encouraging increase in that percentage; but as we get down to the lower levels of government, particularly to the level of local government, we find that there has been unfortunately a declining interest. I think the hon. member for Port Arthur who is responsible for sponsoring the present bill before us is to be congratulated, because it is an attempt to deal with a small segment of the general difficulties arising from the operation of our democratic process.

In addition to the solution proposed—and I will go into further details in regard to the suggestion of enlarging the opportunities for advance polling—there are other ways and means of increasing interest in the electoral process and encouraging our voting population to exercise their franchise. In some countries, for example, resort has been made to the system of compulsory voting. I am always interested to hear comments from the chief electoral office in regard to suggested reforms of this kind. Our chief electoral officer for Canada is a man of vast experience.

As a matter of fact, the post has been in the one family for two generations. The present incumbent worked alongside his father in that post and acquired all the experience of his father in that position, and now he carries on on his own from that broad perspective. In the recent meetings of the committee on privileges and elections it is interesting to note—and the previous speaker referred to this fact—that the chief electoral officer, the one who understands thoroughly the operations of our election machinery, is rather lukewarm to major reforms even of the kind indicated in the bill before us. With reference to the suggestion of compulsory voting, of course the major objection is that it is contrary to the spirit of the free exercise of the right to ballot, the right to exercise the franchise.

We have had other suggestions from time to time from members who have been subjected to the electoral process on one occasion or another. There is a feeling abroad today that we would create a broader interest in our federal elections if we shortened the duration of time occupied by elections. The modern means of communication and the improvement in the mass media of publication make it possible to put the issues much more quickly and effectively before the electorate, with the result that a long, drawn-out election period seems to dull the enthusiasm rather than increase the interest of the voter. These are merely two additional methods that have been proposed from time to time to encourage greater interest in the electoral process and to help in some measure to overcome the apathy that is unfortunately all too common in the responsibilities of democratic citizenship.

Coming specifically to the subject matter of Bill No. C-10, the suggestion that the privileges of advanced polling be broadened is one of the reforms that I think most obviously occurs to the candidate who has had at least one election experience. It has been my privilege to have stood for election during four campaigns. I recall in the first campaign that one of the most distressing reactions I received from the electorate in my constituency were the urgent complaints on election day that they had been involuntarily disenfranchised because of the restricted advanced polling privileges. As a newcomer to the political field I immediately made my protest in the only form available at that time—letters to the chief electoral officer. I have been interested to note as I have gathered more experience in campaigning that one of the most frequent and common complaints presented to the chief electoral officer is this one of the restricted advanced polling privilege. But the more experience acquired in the field, the more one becomes aware that it is not so easy of solution as first glance would indicate.

I think the most glaring recent experience of the inequities of the restrictions occurred during the famous summer election of 1953, I believe it was, when the election occurred for the first time in many years on August 10. The date, of course, came at the peak of the Canadian holiday season and there was a great barrage of complaints from Canadians who were absent from their constituencies and were unable to cast their ballot. An interesting group in this class were teachers, who usually take a most active part in our democratic process. They found themselves studying at various universities across the country, taking summer courses to improve their qualifications in the teaching profession, and they were most incensed to discover that they could not exercise their franchise during that important election. At that time, being intelligent citizens keenly aware of public issues, they got together and made a concerted protest over the problem that this bill attempts to deal with. I imagine that subsequent to that occasion there was more discussion on this point in the House of Commons than we have had in a good many years.

I think the sponsor of this bill has laid this fact down as the main reason for the reform, and that is the increased mobility of our population under modern conditions of living. It is not uncommon to find segments of the Canadian population hundreds of miles away from the various constituencies during election period. This arises from the improved means of transportation as well, of course, as from the great expanse of geography in Canada.

While there is a solid case for a reform of this kind, and most hon. members who have spoken in the debate have generally expressed their support for the principle, there are some real technical problems arising from changes in the operation of the electoral machinery which have caused the chief electoral officer, the authority on these matters, to have rather a negative opinion as to its effectiveness. The problem of setting up a sufficient number of advance polls to cater adequately for voters in our larger constituency areas is one that must cause serious second thoughts. The privilege of voting at advance polls would, of course, have to be extended universally, if at all, and some of the areas involved cover hundreds of miles. The provision of adequate advance poll facilities would obviously mean a considerable financial outlay. In my own constituency, which is an average western prairie constituency, we have two advance polls only, and even in present circumstances

the distances involved are great enough to disenfranchise some of those who would otherwise be interested in casting their ballots.

Then, too, we must consider another difficulty, namely that all the issues would, probably, not be presented to the voters before the day of the election. In my experience in four election campaigns I found that very often the last two days before the election were the crucial days. The most successful campaigns are those which begin slowly and build up to a climax on the eve of the election. Sometimes basic issues are withheld until the final days, or even hours of the campaign for the specific purpose of stimulating interest in the election and reaching the climax of the campaign just at the precise psychological moment. These are all matters which have to be taken into consideration when we are contemplating making amendments to the Canada Elections Act as purposed in Bill No. C-10.

Returning to my original theme, I take it that the sponsor of this measure has as his main purpose in proposing the amendment a desire to increase the turn-out of the electorate at the polls, a desire to make it possible for every Canadian to exercise his franchise. If that were the basic motivation behind this amendment, the present bill would, of course, have only a relatively small impact on this problem, because even with extended advance poll facilities there would still be a large number of voters in Canada who would not be able to exercise their right to vote. That situation arises mainly because of increased mobility. The present arrangements restrict advance poll privileges to a relatively short period of time. As has been said by the former speaker, it might be desirable, if the house contemplates proceeding with amendments of this kind, to change the present days prior to the election in which it is possible to vote at an advance poll—to advance it by several days. Even this, of course, would exclude some people who might be absent from their constituencies at that particular time.

One way of approaching this problem might lie in extending absentee voting privileges. All members of the armed forces who served overseas during the second world war will recall that absentee voting was carried out efficiently in all parts of the world. For example, I remember casting my ballot in the city of Cairo in the election of 1945 which, I believe, took place in June of that year, and I had no difficulty at all in obtaining information concerning the candidates and their qualifications. The principle of absentee voting has been established in connection with the armed forces and if the technical difficulties were overcome its more general adoption would increase to a substantial extent the ability of Canadians to participate in elections no matter where they were on election day.

This matter, together with the general subject of amendments to polling privileges, has been under discussion in the committee on privileges and elections. The previous speaker indicated that this committee, of which I happen to be a member, got under way at rather a late date in the parliamentary session, with the result that we will not be able to come to grips with some of the complexities of this subject. However, there is still ample time before another election to investigate thoroughly these proposals. It is my wish and hope that during the next parliamentary session considerable time will be taken in examining the proposals of the chief electoral officer in this regard and in examining the implications of amendments such as this which we have before the house this afternoon. I say this because I think it is vitally important that this house should make it possible, as far as we are physically able within the restrictions of the electoral machinery, for every Canadian who desires to do so to cast his ballot.

Mr. A. R. Webster (St. Antoine-Westmount): Mr. Speaker, I think it is a very wise practice to review and, if necessary, amend the Canada Elections Act every ten years, otherwise we shall probably be stuck with a lot of outdated rules and regulations which would not coincide with the changes in the manner in which we are trying to live. At the present time I understand the committee on privileges and elections is holding meetings, and although this year the committee started a little late I have no doubt that when the report comes in it will contain several proposals, some of which will possibly have to do with advance polls.

I listened with a great deal of interest to the remarks made by the member for Port Arthur (Mr. Fisher) when he was explaining the bill and my reaction to this proposed legislation is somewhat along the following lines. If the privilege of voting at an advanced poll were extended to include all the people who are entitled to vote instead of just to restricted classes as at present such as commercial travellers, Royal Canadian Mounted Police, fishermen and others, we would require a greatly increased number of advance polls.

If I may become personal for a moment I should like to refer to my own constituency of St. Antoine-Westmount where we had one advance poll in the last two federal elections. If the privilege of voting at advance

polls were extended to all eligible voters the number of polls required in each constituency would vary. Approximately ten advance polls would be required in my constituency. I am doubtful however, that they would serve any great purpose. Approximately thirty votes were cast at the advance poll in my riding in the last two elections. It seems to me that the extension of this privilege would result only in increased expenditures for the crown without serving any great need. It is true that my constituency is urban and it may be that rural ridings would require a different set-up to take care of the matter.

Another consideration is that if this proposed bill were to become law, instead of a general election lasting one day it would last perhaps three days. Most of us are nervous enough having to sustain a one-day election and I do not know how we could suffer through an election lasting three or four days.

My understanding of the act as it now stands is that it requires a returning officer to notify the deputy returning officer as to the number of people who have voted at the various polls. The extension of the privilege proposed by this bill would put a considerably increased load on the shoulders of the returning officers in ensuring that all the deputy returning officers have been notified and that there are no cases of fraud, intentional or not.

I understand that advance polls exist in Ontario for the benefit of any voter and that in introducing this innovation the number of advance polls had to be increased from approximately 240 to approximately 1,100. This was an expensive propositon. As the result of the increase in advance polls the province of Ontario managed to merely double the number of voters from approximately 5,000 to approximately 10,000. This would appear to be an indication that the public is not much interested in having this privilege. The people who do not want to vote are not going to vote in any event and I do not know that we are right in worrying too much about them. I might say that the figures I used for the purposes of this illustration were taken not from the election held on June 11 last but from the previous one. The figures concerning the June 11 election are not available as yet.

I would suggest that instead of advance polls it would be much better if it were possible to establish a permanent election list so that everyone could have, as it were, a voting credit card or something of that nature and thus a voter from Halifax could vote in Vancouver at an advance poll. It is true that if this suggestion were implemented it would cost in the neighbourhood of $4 million or $5 million to maintain the list up to date, but it is perhaps deserving of consideration. One disadvantage I can readily see is that there would be a delay in obtaining election results. One would have to wait for ten days or two weeks before the full results came through. The armed services have an absentee voting arrangement but they begin voting three weeks before the general public and despite that early start there is a delay of a week or more in tabulating and returning the results.

I suppose it is trite to say that the privilege of voting is one given to all citizens of Canada who have reached age 21 and that we should not stand in the way of anyone exercising his right to vote no matter what it cost the country but I think we sometimes are inclined to go a little too far in the direction of allowing people to take advantage of statutory provisions that are laid down and perhaps we should encourage them to take the initiative with respect to the basic freedoms.

As I say, approximately 30 votes were cast at the one advance poll in my riding in the last two elections and on the basis of my observations I fail to see how the proposed bill would serve to increase the number of votes cast to any valid degree in proportion to the total cost not only in dollars but in the expenditure of man-hours and energy. It was suggested by some previous speakers that the advance polls be opened a week or ten days in advance. This would give you less time in which to conduct your election. There is already talk of attempting to shorten elections but if the time were reduced to five or six days it would not give a candidate very much time in which to place his views before the people.

(Translation):

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, I am pleased to have the opportunity to state my position with regard to the matter raised by consideration of bill C-10 now before the house. Yet, Mr. Speaker, I regret that, because of the limited time at my disposal, I shall not be able to go into any details.

However, I want to tell this house that the franchise is obviously a sacred right, one on which our whole democratic system rests, and any legislation designed to promote the exercise of that right should obviously be encouraged by those very people who represent the nation. Nevertheless, Mr. Speaker, you will realize that, if we have the franchise, we should also consider it our responsibility to avail ourselves of this right, and that the exercise of a duty necessarily implies some degree of personal sacrifice.

Bill C-10 tends to promote the use of the right to vote, but there are, nevertheless, certain technicalities to observe when carrying out such duty. Therefore, I wonder how we can go about establishing a large number of advance polls throughout the country unless certain restrictions are imposed in respect of the exercise of franchise. Obviously a privilege is always granted for very special reasons or in extraordinary circumstances.

For instance, there are advance polls for commercial travellers, for seafarers, for fishermen or railway employees. Those people's life-work force them to be away from their home for long periods of the year. It is therefore reasonable that the law should grant them some special privilege in the exercise of their franchise. However, as far as the citizens of this country in general are concerned, I think we should think twice before passing a bill like the one introduced this afternoon.

In brief, this legislation provides that for some reason or other, a citizen should have the privilege of voting in an advance poll.

Yet, Mr. Speaker, I think that if we approve such a bill, without further specifying the reason which a voter who wants to avail himself of his franchise might put forward, we might run into complications that might be very hard to get around, and, in addition, as mentioned by the previous speaker, because many rural ridings in Canada are so large, the establishment of advance polls would give rise to a good number of technical difficulties and also mean a tremendous expense.

Consequently, Mr. Speaker, I am of the opinion that the committee responsible for studying part of the Canada elections act should continue its research work so as to determine more clearly the elements of this bill while not losing sight of the fact that we should encourage Canadian citizens, whatever their country of origin, to use their franchise and thus actually share in their country's government. Moreover, those technicalities should be clearly set out and the privilege only be granted for very special reasons and in extraordinary circumstances which, I think, should be defined in the bill.

(Text):

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I must say that I am in general agreement with the intent of this bill. I have spoken on this matter in the house before. I have in my election campaigns found people who were deprived of their franchise through no fault of their own. They had to go to hospital. In one case I know of, an auditor was accompanying his salesman. If he had had a letter saying that he was a salesman he could have voted, but he could not; he was an auditor. Therefore, he did not vote but the salesman did.

As far as the expense referred to by the hon. member for St. Antoine-Westmount (Mr. Webster) is concerned, I checked in my own riding on the advance poll which was open for two days between the hours of two and ten p.m., and there was hardly anybody coming in. The total advance poll would have been about 150 and they could easily have taken care of eight times that number. Therefore, although there might necessarily be more advance polls set up in a riding, I do not think it would be of the order of the magnitude that the hon. member for St. Antoine-Westmount indicated.

I do agree with the hon. member for Quebec-Montmorency (Mr. Lafreniere) when he said that expense is not the criterion in regard to whether a person should have the right to exercise his franchise or not. Parliament is an expensive institution. In many ways it is an inefficient institution; but the people of Canada and the people of the western world are willing to pay the monetary price to have parliament because through parliament they have democratic government. Therefore, it is not a question of how much it will cost but it is a question as to whether we are depriving any citizen of a right which is his and which any government should be most anxious to maintain and to make it possible for that citizen to exercise that right if he wishes to do so.

The hon. member for Parry Sound-Muskoka (Mr. Aiken) did point out that the time—and this is one place where I find myself in disagreement with the bill—at which the advance polls are held is on the tenth and ninth days before the regular polling day. I assume that is because in many ridings the returning officer has to send the lists to the deputy returning officers, and give time for those lists of people who have used the advance poll to get into the hands of the deputy returning officers. It does seem to be an excessive length of time.

The Deputy Chairman: Order. It being six o'clock the house will now revert to the business which was interrupted at five o'clock.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS TO INCREASE RATES OF REMUNERATION AND CONTRIBUTIONS, ETC.

The house resumed consideration in committee of Bill No. C-43, to amend the Unemployment Insurance Act—Mr. Starr—Mr. Rea in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Martin (Essex East): Mr. Chairman, I understand that your watch establishes the fact I have but 2½ minutes to go, and as we are in committee and I shall have the opportunity of speaking further if I think there is occasion so to do, I thought I would simply say to the Minister of Labour that if he has any questions which he wishes to put to me now I would be only too anxious to try to deal with them. I would not want him to believe that I was discourteous today, but I was anxious to have as consecutive an argument as possible.

Mr. Starr: Mr. Chairman, while the hon. member for Essex East was speaking I availed myself of the opportunity to ask him a question as to what happened in 1950 when he was the acting minister who piloted the unemployment insurance amendments through the house to bring the seasonal workers under the act? This had the effect of increasing the rate by 15 per cent, without any consultation with the advisory committee.

Mr. Martin (Essex East): In answer to the hon. gentleman, I would simply say, and I would underline that he himself has mentioned I was at that time a parliamentary assistant, I think, to the minister of labour, or perhaps I was acting minister, I forget which. In any event, I was acting in the place of the minister of labour who for one reason or another was not available at that time. Whether or not he had consulted the advisory committee, I do not know. I certainly had not. I was simply charged with the responsibility of piloting the measure in the house.

I would say, however, by way of additional reply, that the introduction of seasonal benefits by a Liberal administration was followed on that particular occasion, as on three others, by the replenishment of the fund from the consolidated revenue account. It is true that the amounts were not at all comparable with those which confront the hon. gentleman in this day of heavy unemployment. I can only say in answer to that, of course, that while we were in office there was not the high level of unemployment and consequently not the same necessity of providing seasonal benefits on so large a scale.

Mr. Starr: Is it not a fact, Mr. Chairman, if I may ask the hon. member, that in that instance the fund was not replenished from the consolidated revenue fund, but was later replenished by increasing the contribution, in some cases as high as 50 per cent in certain categories, and that during all the years the fund was in existence all that was put into the fund from the consolidated revenue fund was an amount in the neighbourhood of $1,800,000?

Mr. Martin (Essex East): Which represented the amount of seasonal benefits paid out.

Mr. Grafftey: Mr. Chairman, this afternoon hon. members saw the hon. member for Essex East wind up his remarks and they thought they saw a pretty good show. However, let me tell hon. members in the committee this evening that they saw nothing to compare with what we saw as members of the industrial relations committee.

Mr. Robichaud: Was it drafty?

Mr. Grafftey: I admit I am a comparative newcomer to this place. Just about the time I began to think perhaps we could use committees in a bipartisan sense, and that perhaps committees would be a good place in which we could examine legislation and estimates on a bipartisan basis, I was proved wrong, because out of the wings came the hon. member for Essex East who proved my approach was a hollow one.

This afternoon the hon. member for Timiskaming made some remarks and cast some aspersions on the chairman of the industrial relations committee. He made certain accusations. I will say this, Mr. Chairman, that the difficulties caused in that committee were caused, in my frank and sincere opinion, by the longest series of diabolical political behaviour I have ever seen in my life. Before that committee came expert witness after expert witness. Were they asked questions? No, Mr. Chairman; we had a series of statements, one after the other. We had top experts from the Department of Finance. We had top experts from civilian agencies. We had top experts from the Department of Labour. However, statement after statement was made. Up went the strawmen. Up went the smokescreens, and all of a sudden there came the heat from the hon. member for Hull and the strawman caught on fire. His pompous forensics got so heated that they often burnt the logic out of the fabric of his diatribe.

I should like to say this about the few remarks made by the hon. member for Essex

East. I should like to return the sincere compliment he paid to me, and in all sincerity too. He said that outside the political arena he held me in a certain amount of affection. This feeling, I will say sincerely, is mutual. It is mutual for a very good reason, because I regard the hon. member opposite as the only true politician on the front benches of the opposition. I have often wondered whether the hon. member for Laurier was running the seaway or was in the political arena. The same holds true with regard to the Leader of the Opposition and the hon. member for Bonavista-Twillingate. I often wondered whether he was advising the Right Honourable Mackenzie King in the privy council or whether he was in politics. This is not true of the hon. member for Essex East; for from beginning to end, he is a true politician, and I cannot help but admire him for it.

The hon. member for Essex East, Mr. Chairman—I admit I am getting a little off the point but I shall be right back—in his conversations with me often wonders why the youth of this country left the Liberal fold. He made that remark in a speech the other day. Well, in the industrial relations committee, he made such remarks—

The Deputy Chairman: Order; I think the Chair is being quite lenient in this personality discussion, but we are discussing Bill No. C-43.

Mr. Grafftey: I was only going to refer to the fact that at one time or another during the committee hearings the younger members of the government were called schoolboys; told to please be quiet; to stop this juvenalia—I thought it was relevant.

Now, the time has come to deal with the merits of the actual bill.

Some hon. Members: Hurrah!

Mr. Grafftey: We have heard a lot of remarks by hon. members opposite, but let us flip the coin over for a moment because I feel certain there is another side to it. The hon. member for Essex East said that this legislation was going to help nobody. Last night the hon. member for Hull tried to leave the general impression that no brief which was brought before the committee was in favour of the proposed legislation. Mr. Chairman, such is not the case. I would be the first member to admit that many of the briefs disagreed with this proposed legislation in detail, but I would be the last to swallow the arguments of the hon. member for Hull. The hon. member for Essex East said that every brief that was before us was, holusbolus, against this legislation, but such is not the case.

An hon. Member: Name one?

Mr. Grafftey: The hon. member said this proposed legislation is not going to help anybody. He has neglected to mention the extended benefit period. He has neglected completely to mention the new class of wage earners who will be benefited by this legislation. But there is an apparent contradiction in the arguments of the hon. member for Essex East.

First of all, in the beginning of his speech he told this house that the proposed legislation is going to help nobody, that it is going to help none of the working force of Canada. Then in his analysis he went on to say and admit—although I am not ready to agree with the figures he arrived at—that the labourers of this country will be helped to the tune of approximately $25 million. While we were in opposition we had the old tune of Mr. Howe "What's a million?". Now we have the tune of the hon. member for Essex East "What's $25 million?".

I should like to return to another point. In 1950 legislation similar to this legislation that we have before the house was passed quickly. We never even talked about it in committee. The hon. member for Essex East well knows that that legislation was shoved through quickly by parliament. It was not even submitted to a committee, let alone there being a committee calling for briefs from private agencies. Yet it was legislation similar to this. Let me hark back to remarks made by the hon. member for Essex East in 1950 when similar legislation was being discussed in the House of Commons. He said:

> Mr. Martin: My information is that there is about $17 million in cash, for obvious purposes, and that the rest is in government securities. That is a trust account. That is the way it should be. That is the way the act provides it should be, and there is no intention on the part of anyone that it should be treated otherwise. That money belongs to those for whom it is held in trust; and I know that no one would want to give the impression that the situation is not as I have stated it.

Today we hear quite a different story, do we not, Mr. Chairman in comparison with their behaviour back in 1950. The present government in committee has consulted with the committee itself and with civilian or private agencies.

There is another smokescreen, another strawman that was whipped up in the air, although I notice that it was not raised in the house today for obvious reasons. The opposition in this committee kept asking for information. They tried to give the people of this country the impression that we were withholding information. Mr. Chairman, I ask them this question now, as we all asked them from the government side of the committee: What information was withheld from

hon. members opposite which they wanted to have and did not have? This question was put repeatedly. It was not answered and I rather suggest that it is going to stay unanswered.

Mr. Martin (Essex East): Mr. Chairman, the hon. gentleman has asked a question and I should be glad to answer it. The information that was denied us was the information that could have been supplied if we had been given the opportunity of interrogating the members of the advisory committee to the unemployment insurance commission.

Mr. Grafftey: I suggest to the hon. member for Essex East that a good part of the membership of this advisory committee had resigned. Had we requested them to appear before the committee we would only have been requesting management to attend and I feel that such a procedure would have been a gross injustice. What the hon. member for Essex East wanted was the minutes. What hon. members opposite really wanted was the minutes of the unemployment insurance advisory committee, a privileged document. Moreover, there would have been found in those minutes no information that was not in the report that was tabled a long time ago.

Then we have another strawman, another smokescreen and this one really caught fire. Do you know what it was, Mr. Chairman? I will tell you. Here is what it was. The hon. member for Essex East tried to give the impression that we were really overburdening the employers and the employees of this nation. Oh, this was a terrible thing, according to him. Why? I will tell you why, Mr. Chairman. Hon. members opposite, in past years during the Liberal administration, when things really became tough with the unemployment insurance fund, said that they came to the rescue of it by whopping big transfers from consolidated revenues. I thought that might have been a good point so on my own behalf I did a little bit of investigating and do you know what I found? Do you know what these whopping big transfers were? In a fund that sometimes reached practically $1 billion, the whopping big transfers amounted to $1,800,000. That is the way in which they came to the rescue of the workers of this country. Let us keep the record straight and things in proper proportion.

Mr. Coyne, the governor of the Bank of Canada, appeared before this committee. By hon. members opposite he was subjected to exactly the same treatment as that accorded to other witnesses: no questions. Here we had one of the senior civil servants of this country appearing before a committee in order to help us make legislation for the benefit of the workers of this country and what did we have? We had one political statement after another from hon. members opposite. Up went the strawman; up went the smoke. It all caught on fire and chaos reigned. Then they have the temerity to tell us that the chairman allowed things to get out of order. The hon. member for Essex East was wily but I suggest that there are two sides to every story. I hope I am exposing the other side now.

They talked about losses in the unemployment insurance fund. I suggest that they talked about losses before they were ever realized and that they arrived at the calculation of these losses, even in the face of the expert testimony given by Mr. Coyne of the Bank of Canada, without taking into account any interest gained from the bonds. I suggest that that is another side of the coin which they might have looked at.

In analysing the position of Mr. Coyne on this investment committee hon. members opposite tried to point out that his position was incompatible. I think it was an interesting argument and I am going to try to discuss it in as cool and objective a way as possible. They tried to point out to the committee that his position on the investment committee of the unemployment insurance fund was incompatible with his job as a senior adviser to the Minister of Finance. I should like to point this out to you, Mr. Chairman. Time and time again Mr. Coyne told the committee that a fund of this nature could not be considered outside the principles of sound national debt management.

But I was not surprised because this is not the first time that hon. members opposite have tried to divide labour's interest from the national interest. I well remember sitting in that committee when one of the hon. members opposite said this, "Mr. Chairman, we have heard the brief of the Canadian Chamber of Commerce. Tomorrow we shall hear the other extreme, the other side of the story". I say that the attitude here is wrong. Hon. members opposite went into that committee and tried to show the people of Canada that they were the champions of labour and that we, by this legislation in particular and by our attitude in general, were against labour. Such is not the case, Mr. Chairman. That is part of their game of divide and rule. As everyone well knows, this government has created a marvellous atmosphere of co-operation between management and labour and in turn between management, labour and government. In the future I should like all members of this house to refrain from trying to use measures of this type for political purposes and for political gain. I would have

thought that bipartisanship should have been underlined in touching upon measures of this nature.

Mr. Chairman, remark after remark was made in the committee, as it has already been made in the house during the debate, to the effect that since this party came to power the fund has gone into a terrible decline. The first question I put to hon. members opposite is this. Would they suggest that the government should have withheld payments from the unemployed men in Canada during the recent recession? I ask that question because, let us be frank, forthright and sincere, that is the major and only reason why there was a drain on the fund. But we were told that since we came to power there has been a terrible decline in the fund. We were told this in spite of the expert testimony we were given by officials of the Department of Labour, who told us in their report that the per capita value of this fund started declining back in 1953 and 1954. Another straw man burned.

I think it is obvious why this legislation has been brought forward. I am not going to get caught up in what I call a philosophical argument as to whether it is a welfare or an insurance fund. I put the question on repeated occasions to witnesses who appeared before the committee, and even they were not clear in their thinking. No more do I feel should I get into a debate at this point as to what constitutes putting the fund on a sound actuarial basis. Admittedly many of the briefs brought before the committee, which I think treated the matter logically, did suggest that those parts of the fund which smacked of welfare notions perhaps should be handled under a separate management; and the Minister of Labour repeatedly replied to hon. members on the committee that this question was being given careful, active and fast consideration by his department. I would suggest that especially when the government pays the administrative costs of this fund it will be difficult to determine when, how and if you can put it on a sound actuarial basis. This is only a personal observation, but it is more than an insurance fund; it is an insurance-welfare fund, and I think we should be realistic and regard it as such.

I would like to say it is my view that, if the committee was not subjected to such a long filibuster this legislation would have been passed long ago and the workers of this country would long ago have been able to take benefit of the 52 week period. But such is not the case. I suggest we saw in that committee one of the all-time great political filibusters, and I think it is about time the workers of this country knew. I would say again to the hon. member for Essex East that he asked us to get witnesses before this committee in their capacity as members of the U.I.C. advisory committee. He knew as well as I did that a good part of this committee had resigned and we would only have been able to call the management side of that committee.

Mr. Martin (Essex East): What about Mr. McLean?

Mr. Grafftey: What was that?

Mr. Martin (Essex East): What about Mr. McLean, the representative of the railway brotherhood?

Mr. Grafftey: What about him?

Mr. Martin (Essex East): We would have liked to call him as a continuing member representing labour.

Mr. Grafftey: Such obviously did not seem to be the case, Mr. Chairman. Many propositions were advanced by the hon. member for Essex East. I would like to make a confession before hon. members of the committee right now. I was not able to follow his figures. I tried hard. Maybe I am slow at catching on, but by the time he got in and out, in and out, and then round and about, I was lost. At any rate, some of the figuring I have here on one of the plans he advanced before the committee showed that a saving would be made to the employers of approximately $28 million. This seems strange to me on the part of one who was trying to court the labour vote in this committee. He seemed to mention the briefs of the Canadian chamber of commerce, the Canadian Manufacturers Association and the Canadian Construction Association, but not too much mention was made for the case of labour.

Mr. Benidickson: What about the united auto workers and the C.C.L.?

Mr. Grafftey: I know the Minister of Labour would have liked to have this legislation go through quickly tonight, but I do feel that certain arguments and delaying actions were put forth by members opposite which most certainly had to be answered, and for that reason I claimed the floor this evening only to say that there is another side of the story. I sat on that committee and I sincerely feel that the workers and the employers of this country do not want taxes to go up by any hidden methods through taking funds out of the consolidated revenue. Unknown to hon. members opposite, the workers of this country are willing at all times to shoulder their responsibilities; they welcome this legislation as do the employers and the people of Canada, and for that reason I feel that it should commend itself to all hon. members of this house.

Mr. Ratelle: Mr. Chairman, I did not intend to take part in the debate on this bill. However, after listening to certain speeches by hon. gentlemen opposite, I thought it my duty to rise and state my views. I represent the riding of Lafontaine, which has a sizeable labour population in addition to people in other walks of life and I think I ought to say a few words tonight on this bill.

After I had read and re-read this bill, I heard the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) tell us that the working class, who are excellent people, recognized this legislation to be in their own best interests.

It is true that I do not represent the people of St. Hyacinthe nor, in particular, the working class of that riding. But I am speaking on behalf of the workers in my own riding.

I am the member for Lafontaine, but I have to represent in this house all the people in this country. When I sit here in the Commons, I am conscious of my responsibility. I know that when some issue arises in parliament, I have to face it as it is, with all its consequences. Therefore, when I cast my vote, I do so in all sincerity, in the best interest of the people of Lafontaine riding, as well as of all parts of Canada. Indeed, it is impossible to represent just one riding, even if we should attempt to safeguard the interests of the people who sent us here. The bill which has been submitted to this house must be considered on its merit with regard to the people of each province, and even more so when it does not favour the whole Canadian working class.

After listening to the hon. member, I feel I am in a position to tell him that he is ignoring the facts when he says that we wanted to delay the adoption of this bill. Besides, I disagree with him all the more because the hon. member for St. Hyacinthe knows perfectly well that the social measures introduced here in the house to help labour, such as the Unemployment Insurance Act, were indeed introduced by the Right Hon. Mr. Mackenzie King.

You will probably say that, after the measure became law, amendments were made as needed to meet certain cases which could occur. But, when it is suggested that the Liberal members on this side of the house are delaying the adoption of a law which provides for the welfare of the population, I say: "No! you can't get away with that" because only the Liberal party, my hon. friend, from St. Hyacinthe, can introduce legislation to help labour. Furthermore, I challenge you to name one which has not been introduced for that purpose. So, now that you are part of the government, go ahead and introduce logical measures in the interest of the population and we will support them.

Mr. Ricard: Don't venture too far in that direction, because we might have something to say too.

Mr. Ratelle: Mr. Chairman, it was wrong to suggest any such thing. Moreover, what had been done for labour was being ignored when the members on the committee were refused all the required opportunity to gather the information necessary for a detailed study of the bill. Really, I could not make head or tail of the reasoning of the member for St. Hyacinthe when he tried to explain what happened when he was sitting on the committee.

Mr. Chairman, what is going on here at present seems to me very strange, especially since the Conservative party has been sitting on the other side of the house, not so much from a political standpoint as from a legislative standpoint.

When the Conservatives were on this side of the house, everything was allowed, and now that they are on the other side, nothing is allowed. But, good heavens, why doesn't the government accept our opinion when we have something significant to offer, as we used to do when we were on the other side? Isn't that so, Mr. Chairman? You were here and you know that under the Liberal administration, when the opposition suggested an amendment calculated to improve a bill, we accepted it. We did not act in a narrow partisan spirit, like the government members do now.

It is time to put a stop to this policy of strife because it is not in the public interest. The public needs protection, and if you do not protect the electors, tomorrow the electors will not protect you. It is time to put a stop to those fights that are not in the interest of the population.

I was telling you a while ago that I was astonished. Listening to the speech made by the hon. member for St. Hyacinthe this evening, I remembered the speech made on March 27, 1957 by the present Minister of

Finance (Mr. Fleming) during the budget debate for the fiscal year 1957-58 where—I only took a few notes,—as reported on page 2557 of *Hansard* for March 21, 1957, he criticized his predecessor. The then minister of finance, Mr. Harris, had predicted in 1956-57 a surplus of $112 million which at the end of the fiscal year increased to $382 million. However, taking into consideration the budget introduced by the present Minister of Finance and on the basis of the same expectations we are justified in believing that he will end the 1958-59 fiscal year with a $422 million deficit. If we had so much money, how is it that the deficit should be so high now and that we should be showing such heavy losses?

Mr. Chairman, if there was so much money in the fund and if, in spite of that we have become so poor, it is because unemployment has increased. However, I regret to say this, but that has not happened under a Liberal government and the Conservatives are responsible for it. I know what I am talking about because I have noticed that in my constituency and in the neighbourhood, an industry which had 6,000 employees on its payroll in March 1957, had only half as many by September of the same year. In another industry where there were 6,800 employees, there were only 2,000 a few months later. That has happened because those industries lost contracts they had held, and consequently, work had stopped. Therefore, it is time to react.

I must add that if the unemployment insurance fund is absolutely in need of aid—as I have already indicated during the debate on the speech from the throne, last year—the government must take care of it. I think the existing deficit should not be hidden, and should not be made up by contributions extracted from the employee and the employer. It should be divulged so that we may realize the full extent of the deficit of the unemployment insurance fund, and of the financial difficulties that this country must face.

I will be brief, because I do not like long speeches. But I think it is a pity that, after so many years of prosperity, there should be so much hardship, so many people destitute looking for work and unable to earn a living. I believe that we should draw the required money from the consolidated revenue fund, and not from the employer's and employee's pockets.

The time has come to put an end to it. That is my last word.

Mr. Martin (Essex East): Hear! Hear!

Mr. Ratelle: But in heaven's name, let us put an end to this fratricidal strife and let us get together in helping out the poor people! Let us try to draft sensible legislation, in the best interest of society. If we were living in contentment in 1956-57, why should the years 1958-59 be years of discontent? Let reasonable legislative measures be introduced and if you ever happen to make a mistake, be honest about it, and we shall help you. But do not carry on as you do now.

Even if I am alone to do so, I will not support this Bill C-48 unless some amendment is introduced in favour of the employer and of the employee. I am prepared to do my very best, provided the government is sincere. I am the workers' servant, I know unions and I know their needs. I have never been in favour of paying $12,000 to someone who earns only $10,000, or $110 to a man who earns only $1,000. I have always supported the workers' fair and reasonable claims and I have fought for those people at the city hall. I even fought my own party for the sake of the working population whom I represent. As a candidate, I did not come forward as a labour man, but as a representative of labour, aware of the responsibilities of his mandate.

That is all I have to say tonight. For the common good of the people, I would like to see an end to all this strife, so that we can all lead a happier life.

(Text):

Mr. Browne (Vancouver-Kingsway): I can assure you, Mr. Chairman, that I do not intend to take up much of the time of the committee this evening, because there has been so little argument put up by the opposition that I am sure the committee will be ready to put this measure through without delay.

However, in the industrial relations committee we did receive a number of briefs, and I think it is only fair that something should be said about those briefs in answer to some of the representations which were made.

One of the big cries of the opposition has been that we should increase the contributions and that they should come out of the consolidated revenue fund but no argument has been put forward to support why this should be done. Hon. members of the opposition merely keep on screaming and raving in this respect hoping to create the impression that in their suggestions they are favouring labour. I think this represents a dangerous suggestion and during the course of my remarks I shall attempt to make a comparison between our unemployment insurance fund and the unemployment insurance fund of the United States where no

proper contribution is made to that fund by employees. I shall offer this comparison in an endeavour to illustrate some of the dangers that can arise when the fund is not properly financed and is not paid into to a proper extent by the people who are going to benefit from it.

I have gone over the annual reports for the past three years and taken from there figures showing the contributions that have been made to the fund in Canada. In doing so I have been eager to ensure that my figures would be better than those we have been accustomed to hearing from the Martin bureau of statistics and to this end I have checked my figures with an adding machine. The contribution of the government for the three years 1956, 1957 and 1958 amounted to $197 million in round figures. I shall ignore the small amounts and express the figures to the nearest million. The three-year cost for administration and seasonal benefit was $184 million. In actual fact, then, the government has paid for the administration of the act and for seasonal benefits.

One of the arguments advanced has been that seasonal benefits have been a drain on the fund. That is the reason advanced for the government increasing its contribution from consolidated revenue. Another argument put forward was that the advisory committee made the recommendation that the government should increase its contribution. I dealt with this matter in the committee but I should like to bring it to the attention of hon. gentlemen now.

While the advisory committee is an admirable board and is able to offer advice to the unemployment commission on many matters it must be remembered that the board is made up of four members representing management and four members representing labour. When the witnesses from the Canadian Labour Congress were present in the committee I made the following suggestion. I said that if there was going to be a suggestion made that the burden should be taken from the employees and placed on the general taxpayers of the country, would they not agree that some representatives of the general taxpayers should be present in order to have some say in the matter? I indicated that I felt it was rather beyond the scope of the advisory committee to make a suggestion of that nature. Mr. Jodoin said that that is what the members of parliament are here for, to protect the interests of the general taxpayers. That is why I make the suggestion now that the fund has to be properly paid into by those who are going to benefit from it.

In the United States the government makes no contribution whatever to the fund. They have a tax of 3 per cent on all payrolls in the United States. Of that tax 0.3 per cent is taken for the administration of the fund so they pay nothing into it. As a result the United States legislation is not nearly as effective as ours. There are many reasons for this. In the first place the Canadian Labour Congress suggested that the ratio of the benefit to wages is not sufficient and that it should be approximately 60 to 75 per cent. In the United States, because employees do not pay a proper share of the fund, it has steadily been reduced and at the present time the ratio is only 30 per cent compared with 50 per cent in Canada.

I wish now to refer to a booklet entitled, "Comparison of State Unemployment Insurance Laws as of August 1954", a publication of the United States department of labour on page 72 of which we find the following:

> Ten states have more specific provisions for reducing benefits in one or more respects when the fund falls below a specified amount or a specified ratio to benefit payments for a given period. California's is the most general of these provisions: if the commission determines that the fund will be unable, within six months, to pay probable benefit liabilities in full, it may, by rule, reduce or cease such payments.

Drawing the information from the above publication, let me point out some of the other actions that may be taken by various state governments in the United States whenever they see fit. They may reduce the minimum weekly benefit, reduce the duration of benefit, increase the waiting period, change the qualifying requirements, eliminate part of the benefits and reduce dependants' allowances. That is the sort of thing that happens when a fund is not properly financed.

A leading spokesman for the Liberal party, the hon. member for Essex East, feels that many people under the act should be on some form of relief and should not be under the act at all. I believe he made that clear in his remarks this afternoon. I can see no reason for taking that attitude at the present time. The people that are included under the act in the present amendments are not going to be any detriment to the act. He could therefore have been referring only to those who have been covered by the act for some length of time. As I said in the committee I had rather hoped that the thought today would be that we wanted to give the Canadian people these benefits as a right and not have them given at the whim of a government which could change its mind or increase the benefits for election purposes and reduce them at another time. I am sure the people of this country do not want to go back to some system of relief which is the only alternative to the Unemployment Insurance Act.

Mr. Martin (Essex East): What about the Public Assistance Act?

Mr. Browne (Vancouver-Kingsway): That is only another form of relief. That is exactly what I believe the Canadian people do not want. They want something that will give them a guaranteed amount. The labour force as a whole wants to be assured that they will receive benefits when unemployed as a right and not at the whim of government.

As to the argument that all the briefs referred to were opposed to the present amendments I should like to dispel that idea at once because most of the briefs were in favour of the amendments or some of them—

Some hon. Members: Oh, oh.

Mr. Peters: That is not true; none of them was.

Mr. Browne (Vancouver-Kingsway): Just hold on a minute. I said that they were in favour of most of the amendments. The only thing they did not want was to pay the increased contribution. I suggest that this is a natural position for them to take. Representations are made to parliament from time to time by various groups. Everybody wants something lowered. That is a natural attitude to assume. However, when I put the question directly to Mr. Jodoin as to whether he would prefer nothing at all or the opportunity of taking the present amendments as they were he said he certainly would take them.

Mr. Martin (Essex East): Mr. Chairman, would my hon. friend show me the exact statement that Mr. Jodoin made and will he refer to the point Mr. Jodoin made in his brief in that very context, which was exactly the opposite?

Mr. Browne (Vancouver-Kingsway): I appear to have misplaced the reference for the moment but I can assure the hon. member it is in the committee proceedings. I will come across it in a moment.

Mr. Martin (Essex East): He said it was an iniquitous bill.

Mr. Benidickson: Would the hon. member for Vancouver-Kingsway give us the page?

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, I refer hon. gentlemen to page 216 of the minutes of proceedings and evidence No. 6 of the standing committee on industrial relations dated Friday, May 29, 1959. I shall read from the evidence:

> Mr. Browne (Vancouver-Kingsway): I understand that if we do not feel we could accede to the requests made by you, you would still prefer that the bill should go through?
>
> Mr. Jodoin: Certainly.

Those words appear in the centre of page 216.

Mr. Martin (Essex East): Would my hon. friend read what Mr. Jodoin said on that point in his own brief?

Mr. Browne (Vancouver-Kingsway): I have read directly from the report of the committee and the hon. member can examine it for himself. I suggest that he make his point afterwards.

What was the position Mr. Jodoin took? I think it is clearly indicated by what I have read. He said that he came here wanting certain things. He was making representations and it is natural that people representing labour and doing a good job on behalf of the working people of this country would try to get a better deal for them. Nevertheless these people realize that all these measures have to be paid for.

Mr. Martin (Essex East): What did Mr. Burt say?

Mr. Browne (Vancouver-Kingsway): Mr. Burt did not appear before the committee, as I recall it.

Mr. Martin (Essex East): Mr. Burt sent a telegram in which he stated his position.

An hon. Member: Who is Mr. Burt?

Mr. Ricard: Make your own speech.

The Deputy Chairman: Order. Hon. members are privileged to ask the member who has the floor a question but not to get into a debate. The hon. member for Vancouver-Kingsway.

Mr. Browne (Vancouver-Kingsway): I just did not quite catch what the hon. member for Essex East said, but he was referring to Mr. Burt, I believe, and I also believe that Mr. Burt sent a telegram as a private individual. It was not sent on behalf of any organization. Mr. Burt is a very competent man but he is still one man. Apparently he did not have the support of his organization in making the representation.

Mr. Martin (Essex East): He had the support of his organization and you know it.

Mr. Browne (Vancouver-Kingsway): Just to show what I mean when I say it is natural that the Canadian Labour Congress would not want to pay more money, here is one of the suggestions taken from the official organ of the Canadian Labour Congress, *Canadian Labour* of January, 1959. Here is what they had to say and why I think it would be natural that they would not want to pay any more money. This will show what I mean:

> Some editorial comment on the statements made by the congress and by president Jodoin indicate that the congress has done nothing more than to criticize the government for its failure to meet the challenge of unemployment. The fact is, however,

that, almost a year ago, at its meeting in February, 1958, the executive council of the congress gave special consideration to the problem of unemployment and outlined a positive program for action on national, provincial and municipal levels, as well as by employers and labour unions.

This was their recommendation to the federal government:

Among the proposals for action by the federal government was the provision of a greatly expanded program of public works; the provision of funds to subsidize housing and thus permit N.H.A. interest rates to be lowered, and the introduction of a budget which would reduce taxes to provide increased purchasing power.

In addition, the government was urged to increase unemployment insurance benefits and lengthen benefit periods for unemployment insurance; increase the federal share of unemployment assistance from 50 per cent to at least 75 per cent; increase old age pensions, family allowances, and other social security payments; raise farm purchasing power, and adopt a generous program of aid to underdeveloped countries.

We are getting along pretty well with this program but it is going to take a little more time. I think the general membership would realize that if we are going to do all these things we are going to pay a little more money to get them. This is my opinion from the contacts I have had with the average working people in my riding. The maximum amount that is going to be paid under this proposed scheme is 94 cents a week by way of contributions from the employee. This is the amount that will be paid by anybody who is making over $70 a week. I am quite satisfied that every working man in this country is quite willing to pay that amount to protect himself and get 52 weeks benefit under the Unemployment Insurance Act.

One of the other matters which came up in the committee was the one which the hon. member for Timiskaming raised this afternoon, namely that there should be two funds and that some people should be taken out of this fund. I do not know how he is going to describe a seasonal worker. He indicated in the committee that seasonal workers should not be in this fund, although I have already pointed out the government pays more money into this fund than is necessary to cover the seasonal benefit and the administration of the act.

I went out the other day to the offices of the unemployment insurance commission and looked very carefully over the result of the operation of the fund in the last few years. At the committee I asked repeatedly who was described as a seasonal worker and we got varying answers. Some said fishermen; some said loggers. What I would like to know is where anybody would draw the line. I started to go down the list and I found that construction was very close. It was third behind the loggers and the fishermen. It seems to me that if we started to follow that principle all down the line pretty soon we would be getting to the point where those who were working would not have to pay into the fund at all, and the end result would be that we would not have any Unemployment Insurance Act at all. That is the only conclusion one can come to. You are going to have to build up the fund. Obviously, there would be no sense in not having it because if we did not have it we would have to go back to some system of relief.

What I am pointing out is this. The opposition are presenting these arguments that the money should come from the consolidated revenue fund. They must know in their own minds that if the federal government started contributing to this fund as a welfare scheme it would not be very long until we would have people from one end of the country to the other demanding that there should be a means test. That is a thing the working people of this country do not want. They want to know that when they are out of work they are going to be protected as long as necessary. These representations were made to me in my own riding when I was home between sessions last year, that we should extend the benefits of the act.

I pointed out to the Canadian Labour Congress in Vancouver at that time that it was all very well to have this, because I was perfectly in favour of that, and I said, "We shall also have to increase the contributions". Nobody raised any objection at that time. I am sure they do realize the dangers of putting this thing on some sort of a welfare basis with the government doing all the contributing. They see the dangerous elements that I have referred to in the United States where the rates of benefits are lowered, where they are not even guaranteed any payment and where at the whim of the state government the payments can be cut off tomorrow. I am sure the working people of this country will be very well satisfied with the amendments we are putting through here.

Mr. Martin (Timmins): Mr. Chairman, I certainly would like to mention what the C.L.C. has done in this country. Last year, when they made the announcement that they intended to get into the political field, they certainly perked up a couple of old parties in this country. I think there has been more attention paid to labour throughout this session than I have ever seen or read about before this parliament.

Before I come to my main remarks I should like to deal with one matter raised by the

hon. member who just resumed his seat. He was very careful to read one question and answer on the page from which he quoted, but he failed to go a little farther down the page. I think if he had gone a little farther down the page after the word "certainly" where he left off quoting from the minutes of the industrial relations committee he would have found this. Mr. Jodoin was asked another question by the hon. member for Cape Breton South who said, and I quote:

> You are in favour, rather than seeing it dropped—you would rather see it go through as is?
>
> Mr. Jodoin: We have indicated that there are some improvements. There is no question about that. For instance, from 36 to 52 and so on. But if a question were asked, pertinently and directly, whether we favoured it or not, my answer is that our position is clear by the suggested amendments we have made before you, and our position would be the same.

A little farther down he said:

> I know that you favour answer of yes or no, but you cannot always answer in that way. You will realize that for obvious reasons.

Still further down he had this to say:

> I might have another suggestion with respect to the bill; I think the term you used in the house is hoisting; the bill might be hoisted to give an opportunity to the advisory council, for instance, to make a complete study of it, and to come forward, perhaps with some other recommendations.

Mr. Martin (Essex East): Quite different.

Mr. Martin (Timmins): It gives an entirely different picture from the one given by the hon. member for Vancouver-Kingsway.

Mr. Grafftey: Not much.

Mr. Martin (Timmins): The amendments to the Unemployment Insurance Act before us today are there to solve one particular problem—I think we all agree with that—namely the very serious depletion of the unemployment insurance fund which has been brought about through the combined factors of very heavy unemployment and actions of last year by the present government. I think it might be appropriate at this time to turn to *Hansard* of last year at the time the act was being amended. I had occasion to speak on it, and I think the words I used at that time are as appropriate today as they were one year ago. On page 95 of *Hansard* of May 15, 1958, I said this:

> Welcome as it is, this measure is nothing more or less than one extending payments for certain classes of unemployed. There is no provision for the unemployed without sufficient contributions.

A little farther down I said:

> It is fine to help the ones this legislation will help, but what about the ones it does not touch?

I say, Mr. Chairman, that these same problems that were ignored one year ago are being ignored just as completely today. A little farther down on the same page, I quote:

> There is one other aspect of this measure about which I should like to have more information. It is not clear to me yet where this additional money is coming from.

Then, over on the next page, page 96, I find this:

> This is not normal unemployment as we have known it in the past. An emergency measure should not be charged to a normal fund. It should be handled out of the consolidated revenue fund. It should not be handled by the relatively small numbers of insured people in this country. The emergency should be met by the people of Canada as a whole.

Mr. Martin (Essex East): From whose remarks is the hon. member quoting?

Mr. Martin (Timmins): These are my own remarks made on May 15, last year.

Now, Mr. Chairman, the minister has answered the question I asked last year, from what source is this money coming? We see the answer in this bill now before us. The money necessary for the implementation of the legislation passed last year is being charged to future contributions. I feel, that this action, along with the action taken last year, has contributed very greatly to the confusion that we see reigning in this country today. Probably it has had a good deal to do with the resignations of members from various government committees. In fact, this is just another in a series of confusing events that have been caused throughout this country by this government.

There has been confusion in the bond market. In spite of the brave words of our Minister of Finance, the last quotation I saw for the famous conversion bonds of last year was something like $90. Confusion has been caused throughout the country by the ever-climbing interest rate. Confusion exists with regard to defence in this country. Now, we have the answer to this problem in the bill before us, and the reaction of this government, as we see it, has certainly accomplished one end. We have the Canadian Manufacturers' Association and the Canadian Labour Congress both agreed on one thing. It is not very often that happens, Mr. Chairman, and it takes an action by this government before we can bring about that situation. We have all this demonstrated as well in the briefs presented by the various organizations.

What is the action of this government in the face of all this criticism, and in the face of all these suggestions by the various organizations representing the majority of the people in this country? Their answer is very simple. They say, we have a majority of 208 and we will put the measure through regardless of

what anybody in this country thinks about it. We have three years left in which to patch up things before the next election. This action, along with the others I have mentioned, was mainly responsible for the phenomenon we saw last week. Certainly, if anything should make this government stop and think, that should, because apparently the people of this country are turning back to the Liberals. What a horrible thought! Even Tory Toronto is turning back to the Liberals—

Some hon. Members: Hear, hear.

Mr. Martin (Timmins): —for the first time in 22 years. That is something that should make this government stop and think.

Mr. Henderson: All you need is another pillow to get right into bed with them.

Mr. Martin (Timmins): Mr. Chairman, I think that if this government is going to carry out the job it should be doing it should remember just what this fund is. This is an unemployment insurance fund. I feel it is about time it was put back on an insurance basis or else the name should be changed. If you are going to change the terms of the measure, then you should change the name of it. Surely, Mr. Chairman, this government has caused enough confusion in this country. Is it not time to turn this fund back into a proper insurance fund and not try to make it into a glorified welfare fund? It should be put back on a proper basis, and instead of all this camouflage we see here, and in place of these amendments we have before us, some amendments should be introduced to look after the unemployed of this country better than they have been looked after in the past.

Mr. Martin (Essex East): Mr. Chairman, there are some other aspects of this matter which, I believe, require discussion in this committee. It was indicated this afternoon that the unemployment insurance fund must be regarded, in every sense of the word, as a trust fund. We have had pointed out to us that when this government took office the unemployment insurance fund was over $800 million, and that at the present time, taking into account the securities in the unemployment insurance fund and their related market value, that fund is now under $400 million, somewhere in the neighbourhood of $350 million.

We are called upon to deal with a proposal for increasing the contributions made by three contributors, notably the employers and employees, largely because of the depleted character of the fund. It is our duty and our responsibility to inquire why the fund has reached, to use the language of the advisory committee, the perilous state in which it is now to be found. Undoubtedly the main reason for the drain on the fund is the fact that during the past 18 months this country has experienced the highest level of unemployment since the days of 1930-35. While we are all happy in the thought that we did have a fund, created largely as a result of contributions by employers and employees, we all regret that circumstances, some of which were within the control of this government, have been such as to cause the fund to reach this present stage of dangerous depletion.

Not only is the fund in this dangerous state because of the heavy drain made on it during the past 18 months by a high level of unemployment but because, at the same time, there has been an obligation imposed on the government, and on parliament, to provide ways and means for the maintenance of unemployed workers and their families, unemployed workers who were no longer able to qualify for the normal unemployment insurance benefits. We sought in this parliament to give assistance to this group by seasonal benefits.

This practice, as the Minister of Labour pointed out earlier tonight when he interrogated me, had been established by the previous administration. However, the difference between the situation in that regard in relation to the fund under the previous administration and under the present government is that the former, on three distinct occasions when it did provide for assistance by way of what were called then supplementary benefits out of the fund, took occasion to replenish that fund out of consolidated revenue. This was done on three occasions. The Minister of Labour pointed out that this was done on the first occasion only in the amount of some one million and several hundred thousand dollars. That is true. But that situation arose because that was the extent of the replenishment that was then required. But as the Minister of Labour also knows, on the two subsequent occasions the amounts refunded to the fund were larger proportionately to the amounts paid out of the fund.

Mr. Starr: Would the hon. member tell us on what occasion there were these two extra supplements?

Mr. Martin (Essex East): If my hon. friend will look at my statement when we debated this matter on second reading he will find the exact amounts and the dates. I gave them then.

Mr. Starr: Is it not true that all the money that was ever put from the consolidated fund into the insurance fund amounted to only $1,800,000 which is correct?

Mr. Martin (Essex East): No, I regret to say that my hon. friend is wrong.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Hon. gentlemen say "Oh, oh". Of course, if they can point out that I am wrong, I shall be happy to be shown. However, in my statement in chief I have given the three occasions, the dates and the amounts.

Mr. Bell (Saint John-Albert): One occasion.

Mr. Martin (Essex East): My friend the hon. member for Saint John-Albert who is an authority on this matter, says "one occasion". If he can point out that I am wrong, I should be happy to be shown. I ask him while I am speaking, to look at what I said previously. If he does so, he will find the dates and the amounts. Then we can deal with the matter by way of interrogation at the conclusion of what I have to say.

In the industrial relations committee we dealt with an extremely important aspect of this matter that has not been fully dealt with yet. The government comes to parliament and says that the fund is in a perilous state; the labour representatives and the employer representatives on the advisory committee have said that the fund had reached an extremely perilous position. The government now says we must replenish the fund because we may have unemployment on a serious scale next fall and next winter. In order to make sure that we have enough money to provide for our contractual obligations—and that is what is involved—we must see to it at the present time that this fund is replenished by the contributors.

We say that it is not fair, just or in keeping with the traditions of this legislation—which was introduced by a Liberal administration in the dark days of war—to impose on the two main contributing groups an obligation which, just as in the case of public assistance, must be widely shared. No hon. gentleman from the government benches who has spoken in this debate thus far has dealt with this point. What justification is there for imposing on these two particular groups the responsibility of providing assistance to men and women in this country who, having exhausted their unemployment insurance benefits, require assistance from the national community? Why should that burden be imposed upon those two groups? That is the main point of our opposition to this measure; and no one speaking on behalf of the government has yet addressed himself to this point.

Mr. Chairman, we contended on second reading of this bill—and it is the argument which we made in the committee and which we make now—that if there were mistakes in the way in which this particular unemployment insurance fund was handled with regard to its investments, the consequences of lack of judgment or incompatibility of function should not be laid on the shoulders of the two main contributing groups.

We were told by the governor of the Bank of Canada, an able and competent public official—as we would have been told, I am sure, by the deputy minister of finance and the spokesmen for the Department of Labour who share with the governor of the Bank the responsibility for the investment of the unemployment insurance fund—that in the exercise of their responsibilities they had sought to display, to demonstrate and to exercise the best possible judgment. I have no quarrel with their good intentions nor do I in any way suggest bad faith on the part of any one of these three gentlemen. But the fact of the matter is that with respect to this fund they had the responsibility—just in the same manner as any trustee of any fund has a responsibility toward the fund he administers—to make as their exclusive concern the problems of and all the circumstances attending the trust fund. Under any trustee act in the administration of any estate in the discharge of any responsibility as trustee there is imposed, both by way of the written and the unwritten law, an obligation on the part of the trustee to regard as his exclusive concern the interests and the integrity of the fund of which he is the trustee.

What I say is this. Under section 20 of the Unemployment Insurance Act, a section which endows these trustees of the fund with full responsibility for all of its investments, there has arisen since this government came into office a situation that did not confront these gentlemen as trustees previously under the former administration. They were not then confronted with a situation in which the government had a large and dangerous deficit. They were not then confronted with a situation that revealed an extremely high level of unemployment making serious drains on the fund. So after this government came into office in the fall of 1958 or, I will say, in the summer of 1958, there arose an extremely important development, a responsibility of which this government should have been aware and which they should have discussed with the members of the investment committee. When the government decided to embark upon its bond conversion scheme there at once arose, as between the governor of the bank and the members of the investment committee as gentlemen responsible in part for the debt management policy of this government, an incompatibility in the face of their responsibility as trustees of the unemployment insurance fund.

This fund is not something that belongs to the government of Canada. This fund is something that belongs to the employers and to the workers of Canada in the main. It is not money that is the property of the people of Canada through the government of the nation. This is property that belongs to the workers and to the employers of the nation. The same regard that one would display with regard to any private trust fund or any private estate must attend the administration of the unemployment insurance fund. I say that there was on this government a responsibility to free the members of the investment committee from the dual position in which they found themselves a few months prior to the introduction of this government's well known, doubtful and controversial bond conversion scheme.

It was in the interests of those responsible for the debt management policy of the government to see to it that the Canadian public were encouraged to invest, or having invested to continue their investment, in long term securities. That was the main characterization of the plan, and inducements were given to those holders of victory bonds to convert their victory bonds into long term securities, characterized by the bond conversion scheme covering some $6 billion, $1 billion of which was held in the hands of private individuals and the rest for the most part by institutions in one way or another.

I say, and in the committee it was so revealed, that it was not in the interests of this fund that the securities of the fund should have been invested in long term securities, and particularly in the bond conversion scheme proposed to this country by the Minister of Finance. I am not now concerned with the merits of the bond conversion scheme, but I am saying that the interests of the government in respect of its debt management policy and the interests of this fund were diametrically opposed. First of all, when the bond conversion scheme was announced the government made it clear that the holders of victory bonds, those bonds which it was encouraging the Canadian public to transfer or to convert into the bond conversion scheme, could be sold on the market, and because the Bank of Canada was supporting that market from July 1958 to the end of October 1958 any seller of those bonds in that period would have received par or its equivalent. The bond market was, as I say, being supported at that time by the Bank of Canada, and if the investment committee of this unemployment insurance fund had decided, to enable those securities to be sold, to take advantage of the market opportunities at the moment, the fund would have very considerably benefited in the appreciation that would have flowed from that kind of sale. But it was not in the interest of those responsible for the debt management policy of the government to encourage such a sale. There was clearly a conflict of duty between the members of the investment committee, who also had a responsibility as important government officials in the debt management policy of the government.

Is it conceivable that the governor of the Bank of Canada or the deputy minister of finance, in respect of a fund so large, the largest trust fund in the nation, could have taken a step contrary to the admonitions and the urgings of the Minister of Finance and the Prime Minister of Canada?

Mr. Benidickson: And the advice they gave.

Mr. Martin (Essex East): And the advice, as the hon. member for Kenora-Rainy River points out, which they gave to the Canadian public. Of course the members of the investment committee were in a difficult position. They were in a dilemma, and I have no doubt that each of them must have been greatly concerned about the position in which he found himself as a result of the policy of this government. If those five issues of victory bonds held by the unemployment insurance commission, totalling over $300 million, had on a day to day basis—I do not say all at once—been sold on the market, a market which was supported by the Bank of Canada, then instead of reporting now a book loss of $62 million marking the level of the unemployment insurance fund at this time of $350 million, that fund would be up very considerably and would have provided the Minister of Labour with a less justifiable reason for coming to parliament and asking that this fund be replenished by imposing additional burdens on the workers and employers of this country. That is the situation which the facts as revealed in this committee clearly establish.

But they did not sell the victory bonds. They converted these bonds, $380 million worth of them. I say that at that time the interests of the fund demanded it be in liquid state. The governor of the Bank of Canada and the government of Canada must both have known at that time that the unemployment situation in our country demanded that this unemployment insurance fund be in a state of great liquidity. Unemployment was confronting us. It existed all during the summer of 1958 and it was clear from every index that it was going to persist in 1959, as we now know it did in the unusually high proportions that we all saw during the last winter. Because of that condition, does any

hon. member, including the Minister of Labour, care to argue seriously that it was in the interests of the unemployment insurance fund that its securities should be invested in long term instruments at a time when it should be liquid so as to meet the continuous heavy drain imposed upon it as a result of high unemployment in our country?

That is the situation that confronted the investment committee, and I say to the Minister of Labour that he and his colleagues had the responsibility of discussing this with the investment committee, of recognizing the duality of their functions, and saying to the investment committee, "Obviously you are placed in a difficult position; we have no right to ask you to be placed in a position where you have to select between two duties, between two trusts." Under the act as it stood and as it now stands no one else but these three or their nominees could act as members of the investment committee. Parliament was sitting in the summer of 1958. We met here shortly after the elections of March, 1958. There was no reason why the Minister of Labour could not have suggested an amendment to section 20 of the Unemployment Insurance Act, and we could have had placed, in the place of these three, three other trustees of competence and of knowledge.

Mr. Benidickson: Two others.

Mr. Martin (Essex East): Two others, the Department of Finance and the governor of the Bank of Canada—whose duties as trustees would not have conflicted with their obvious duty to the government and the people of Canada as a whole. Because that was not done, this unemployment insurance investment committee having to make the choice it did, made a choice that was not in the interests of the fund, and it was not in my judgment in full compliance with what one must exact from any one exercising his trust toward a fund of this character. This was a fund in which the over-all concern was what is in the interests of the fund, even if that interest conflicted with policy of the government or with the welfare of the concerns of a wider constituency of the Canadian people.

That is the situation, and because these bonds were converted and they are long term bonds, we are faced with the position as the hon. member for Welland pointed out, that as a result of current market values there is a book loss of at least $62 million. Let no one say that because it is merely a book loss that it is not a serious matter. At any time this fund may have to be liquidated. I would like to ask the Minister of Labour if I am wrong in suggesting that when the government of Canada decided on April 2 to extend for the first time cash loans to the unemployment insurance commission there was not a requisition from the unemployment insurance commission for the sale of certain securities.

I hope the Minister of Labour will deal with that question at some time, because we were informed, with some reluctance by the Minister of Finance, readily by the Minister of Labour, that there had been loans extended under two different orders in council bearing interest at 5 per cent under section 96 of the unemployment insurance act to the unemployment commission. To give some indication that these victory bonds, supported by the Bank of Canada, could have been sold at par and more some time between July and October, I point to the fact that on September 15, 1958 $17 million worth of the same victory bonds which had been converted were sold on the open market at the instance of the Bank of Canada. If it was possible to sell that group—and they were sold, as I indicated, at a profit, because those bonds were at that time being supported by the Bank of Canada—there is no reason why a careful policy of investment during this three-month period should not have seen to it that a larger proportion of these holdings were sold so as to benefit, by way of increased appreciation, the unemployment insurance fund.

Not only that, but at the time just prior to the bond conversion scheme the unemployment insurance fund could have had these securities invested, as did the large insurance companies, in treasury bills, short term securities or something which would yield a principal value close to par, bearing some rate of interest, and certainly producing a revenue greater than was produced in the situation which now confronts us in our analysis of the security position of the unemployment insurance fund. Treasury bills and short term securities would have been more in keeping with the demands, the needs and the problems of the unemployment insurance fund than the purchase of these long term investments.

There was no reason for the investment committee deciding on the course it did simply because it would serve as a means of encouraging the sale of conversion bonds, the prized possession of the Minister of Finance. It was contrary to the interests of the unemployment insurance fund to use this particular investments as a means of trying to encourage a wider participation in the bond conversion scheme of the government of Canada, because, I say again, this was a trust fund, and the only consideration should have been the question of what was in the best interest of that fund.

But it was not only in regard to this particular situation that circumstances of this kind arose. We had, in 1958—and this was mentioned yesterday when we were discussing the financing of the Canadian National Railways—another example of this kind. And I may say that when this matter was discussed yesterday I was precluded from pursuing it further because it was argued that it was out of order. I was told I would have to wait until this matter came before this committee. I said that if this was the position I hoped the Minister of Finance would be in the chamber when we discussed this question on the unemployment insurance bill. This was a borrowing on the part of the C.N.R. in January, 1958, with the knowledge and full approval of the Minister of Finance, providing 4 per cent with bonds maturing, I think in 1980.

An hon. Member: A silly argument.

Mr. Martin (Essex East): Someone said: "a silly argument". I hope whoever did so will rise immediately after me and point out where this argument is silly. The investment committee decided to invest $15 million of the securities of the unemployment insurance fund in this $300 million C.N.R. issue. I say to the Minister of Finance, as I said yesterday, that this was a difficult issue. It was not readily accepted by the people of Canada. And it would seem that one of the reasons why unemployment insurance securities were invested in this issue was so as to encourage a wider participation in that issue by the Canadian people, and I think the situation one year later confirms what I have said.

The Deputy Chairman: I am sorry to have to advise the hon. member that his time has expired.

Mr. Bell (Saint John-Albert): I should like to take a few moments to straighten out one matter to which the hon. member for Essex East has referred. The impression was, I think, wrongly created by the hon. member that on three separate and distinct occasions amounts were taken from consolidated revenue and placed in the fund. I have read the hon. gentleman's remarks on second reading, and they are exactly the same as were made during the discussion we had as reported on page 170 of the industrial relations committee reports.

Mr. Martin (Essex East): Have you got the remarks I made?

Mr. Bell (Saint John-Albert): Yes.

Mr. Martin (Essex East): Would you read them out?

[Mr. Martin (Essex East).]

Mr. Bell (Saint John-Albert): This is the great statesman, the hon. member for Essex East, speaking as reported at page 3540 of *Hansard* for May 11:

> I said that when we invaded the fund for the purpose of providing supplementary benefits we took steps to replenish the fund. That was done in the years 1949-50, 1950-51, and in 1951-52.

And Mr. McGregor, speaking in the standing committee, referred to exactly those amounts. And then, as reported on page 170 of the committee proceedings, the hon. member for Hamilton South said:

> You were just keeping up with the balance.

To which Mr. McGregor replied:

> That is right; keeping things cleared up.

The rest of the exchange on this point reads as follows:

> Mr. Bell (Saint John-Albert): What was the reason for those two small amounts?
>
> Mr. McGregor: This went into effect on February 28, 1950 which was pretty close to the end of the fiscal year. $1,728,964.94 was carried into the next fiscal year before it was reimbursed to the fund.
>
> Mr. Bell (Saint John-Albert): Would it be fair to say there was just this one large $1 million odd payment, but due to this particular time of year it was spread over into other payments?
>
> Mr. McGregor: That is right.

In other words, there was just the one, single and distinct payment from consolidated revenue into the fund, but due to the fact that it came at a bad bookkeeping time during the year there was a little spread before and afterwards of a few thousand dollars.

Mr. Martin (Essex East): Since the hon. gentleman has asked me a question, may I refer to what I said?

Mr. Bell (Saint John-Albert): There was no question. I made a statement.

Mr. Martin (Essex East): I presume the hon. member wants the full facts. Let us get this straight. As reported at page 3540, my remarks were:

> I said that when we invaded the fund for the purpose of providing supplementary benefits we took steps to replenish the fund. That was done in the years 1949-50, 1950-51 and in 1951-52. In 1949-50, vote 585 provided for reimbursement to the fund under section 87(f)(1) of the act in the amount of $1,500,000. The actual expenditure amounted, however, to only $13,425.56. The following year, vote 597 provided for similar purposes the amount of $1,780,000, which was fully expended. In 1951-52, vote 717 provided for $40,000, of which $35,438.35 was spent.

Now it is not the fault of those who sit on this side of the house if when we were in power unemployment was not as great as it is now under hon. gentlemen opposite.

Mr. Benidickson: Mr. Chairman, the hon. member for Essex East who just spoke introduced something there was not an opportunity to pursue in the committee because,

as I recall it, the information was not available. He asked the Minister of Labour whether or not just prior to the time of the April 2 order in council, under which it was decided to borrow from the government henceforth rather than sell securities on the market, there was a normal monthly requisition from the unemployment insurance commission to the Bank of Canada, their agents, asking them in the forthcoming month to provide to them certain cash funds.

Mr. Starr: Mr. Chairman, neither the investment committee nor the unemployment insurance commission conferred with me at all in that regard.

Mr. Benidickson: That is not the point, Mr. Chairman. The minister is quite familiar with the procedure under which on a monthly basis the unemployment insurance commission indicates by requisition—I believe that is the word—to the Bank of Canada what its cash needs are likely to be in the forthcoming month. The minister knows that I was by no means satisfied that the provisions of section 86 of the Unemployment Insurance Act had been complied with in the flimsy, informal manner which we heard in the committee was utilized and which resulted in this cabinet decision, not on the part of the unemployment insurance commission, as I gather it, but on the part of the government, and not even the experts in the field, the investment committee, as contemplated in section 20. It was astounding to me to hear that this investment committee composed of the governor of the Bank of Canada, the deputy minister of finance and a nominee of the Minister of Labour were not consulted in any way, shape or form in this decision.

Mr. Starr: What decision?

Mr. Benidickson: I am just explaining. In this decision to henceforth desist from selling government bonds in the fund but to borrow from the government.

Mr. Starr: Mr. Chairman, I do not know what transpired in the earlier sittings when the investment committee was present but I do know that I attended with the chief commissioner and the hon. member for Kenora-Rainy River personally questioned us on that and we gave him information to the effect that the decision was made after consultation with the commission.

Mr. Benidickson: That is perfectly correct, Mr. Chairman, but I pointed out to the minister at that time, as I have indicated to this Commons committee, that I have very grave doubts concerning whether the language of the statute in section 86 of the Unemployment Insurance Act was complied with through this informal, flimsy procedure of conversation between the chairman of the unemployment insurance commission and the Minister of Labour and another conversation which was referred to in the evidence between the Minister of Finance and the Minister of Labour. The language of section 86, subsection 1 of the Unemployment Insurance Act is as follows:

> Where the amounts standing to the credit of the unemployment insurance fund in the consolidated revenue fund are not sufficient for the payment of benefits under this act, the Minister of Finance, on the requisition of the commission—

May do such-and-such.

"Requisition" is a formal word. I do not have a dictionary in front of me but there are a great number of lawyers in this house and I think they would question whether or not "requisition" would be satisfied by a mere statement on the part of one member of a board of three, the unemployment insurance commission, to the effect that the minister to whom the board reports engaged in a conversation with him and then in turn that minister had some conversation with the Minister of Finance. This statute says that the direct contact must be from the commission by formal procedure and I believe that "requisition" involves some formality directly from the commission of three to the Minister of Finance. That was not done. A decision was made and the amazing thing is—

Mr. Starr: Mr. Chairman, may I interrupt at this point to say that it is doubtful that I could convince the hon. member or even endeavour to prove to him that everything was done in the right way. Possibly I should not have entered into the matter at all but I was concerned about the fund just as I am concerned about all the responsibilities I have. Although I have not followed the procedure the hon. member for Kenora-Rainy River is convinced I should have followed, none the less whatever was done was done in good faith.

Mr. Benidickson: Oh, Mr. Chairman, I am not one of those who would ever question the good faith or good intentions of the Minister of Labour.

Mr. Starr: But you are.

Mr. Benidickson: No, I am not.

Mr. Starr: You say the whole procedure was wrong.

Mr. Benidickson: I am saying there is a duty on the part of every member of the cabinet because they are always supported by a great number of legal and other types of advisers to make sure that in matters of consequence of this nature that a statute, a parliamentary direction, is observed in the utmost respect. I say that the language of this statute is very clear.

In examining the members of the commission in the committee we did find that there had been nothing more than a word of mouth conversation on the part of one member of the commission and his minister, the Minister of Labour, that there was some anxiety about these losses.

We have had the evidence that there were capital losses last year of some $10 million. They were also aware, of course, that the market value at about this time in relation to the book value was down by $62 million, as several hon. members have said in this debate. A decision was made of utmost importance. I do not blame anyone for bad faith in this but I do cast blame for not following the procedures parliament lays down. Some decisions are matters of judgment. I know a decision would be taken in good faith and there is no question about that. I have the same feeling with respect to the investment committee. However, I share the views of the hon. member for Essex East when he asserts that when times are difficult for the government and when two members of the investment committee have dual responsibilities and when $8 out of every $10 represents trust funds and not government funds, we should be considering at this time the possibility of relieving admired civil servants or government officials of the type that are on this investment committee of any question about dual responsibility or incompatibility in connection with their investment responsibilities for this fund.

The point I am concerned with at the moment is that a decision was made by order in council on April 2 to desist from selling further of the bonds in the portfolio of the unemployment insurance commission. It is not astonishing to think we have an investment committee in charge of an investment portfolio—even though depleted as it was by $62 million in terms of the market value—still totalling something in excess of $360 million. These were experts, the governor of the Bank of Canada, the deputy minister of finance and a third member, a nominee of the Minister of Labour who had been on this committee for almost a year and who presumably had experience, who attended, although I am rather doubtful about how many meetings anybody on the investment committee attended. None the less, certainly two out of the three were experts in the investment field.

We had evidence from the governor of the Bank of Canada before our committee that he was not asked whether or not it was propitious, wise or unwise, to follow the course set out in that order in council. That was a decision made politically by the government. We have no evidence that under section 86 there was on the part of those three members of the unemployment insurance commission, acting in concert, acting officially, a decision that the time had come to requisition the Minister of Finance and get from him certain funds on loan rather than by utilization of the capital funds that belonged to the unemployment insurance commission.

I think this has never been cleared up either in the committee or in any explanation we have had subsequently. As far as I know, another usual type of requisition was made by the unemployment insurance commission late in March indicating in the customary way they would need net cash requirements in the month of April of whatever the amount was, perhaps $50 million. This had been the customary procedure, and within a matter of a few days it is the cabinet that decides by order in council, after informal conversation between the Minister of Labour and the Minister of Finance. Are they the experts in this field? Are they the technicians? They never spoke to the governor of the Bank of Canada about this. Apparently they never consulted the other members of the U.I.C. investment committee with financial long time background, such as the deputy minister of finance, as to what should be done in the interests of the unemployment fund, $8 out of every $10 of which were trust funds from outside government sources. This of course is hindsight and I know the decision that was made was made in good faith. I am challenging the authority for making this decision and the procedure under which the decision was made. I say that the cabinet over rode the statute. It did not consult the investment committee; it did not get from the unemployment insurance commission a requisition. It cannot produce in this house what is called in this section a requisition from the unemployment insurance commission saying that the time had come for the Minister of Finance to do something by loan rather than the regular procedure of liquidating the assets they still had in the fund. I think this has to be answered by the Minister of Labour.

Let me come back to the point I made. They pledged rather than sold, as outlined in the order in council of April 2, some $80 million-plus of 4½ per cent conversion loan bonds maturing in 1972 as security for a loan, through the Minister of Finance, upon which the unemployment insurance commission was obliged to pay 5 per cent interest. I indicated that hindsight is very easy, and I want to be fair. But the result is they reached this decision without expert advice; they did not consult the investment committee.

We have the evidence of the governor of the Bank of Canada on that. The fact is that market-wise the very securities that were pledged for those loans have in the next seven or eight weeks depreciated further in value beyond the $62 million that was referred to by the hon. member for Essex East, by another $6 million or $7 million. In addition, the unemployment insurance commission, whose funds are 80 per cent trust funds, is obliged to pay 5 per cent on $72 million or $73 million that they have received by loan since April 1 in connection with this order in council.

Now, Mr. Chairman, I think this committee and the average member of it—and I include myself as one—surely knows a minimum about business to think that we would expect that if there was an investment committee in which the administration says it has supreme confidence, that no cabinet minister amateurish in big finance or otherwise, in a little conversation with his colleagues would decide on something as momentous as this which has resulted in a $7 million loss in seven weeks, without consultation with someone with experience. In addition, the moneys were trust funds. They were not funds that were contributed to by government departments, although these are still trust funds in that they are contributed to by taxpayers. They were insurance funds $8 out of every $10 of which was contributed by employees and employers.

These informal conversations should be inquired into further by this committee. I refer to the conversation between the chairman of the unemployment insurance commission and the Minister of Labour and next the conversation of the Minister of Labour with the Minister of Finance, which resulted in this order in council. I suggest this order in council was superimposed beyond the conception of section 86 of the statute, superimposed on the commission which I challenge the minister to suggest did formally requisition and decide that this procedure should take place.

In the statute the onus is upon the commission of three to make a decision of this kind.

I see that it is ten o'clock, Mr. Chairman.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Green: Mr. Speaker, tomorrow we shall continue with this debate. We will go right on through with it for the rest of the week if it is not finished in the meantime.

Mr. Martin (Essex East): We should finish it by next week.

Mr. Green: If we finish it tomorrow we shall then take the order of business I listed last night. If we finish it on Thursday we shall then take the estimates of the Department of Justice, followed by those of the Department of Veterans Affairs.

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

ANSWERS TO QUESTIONS

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

TAX RENTAL AGREEMENTS—PAYMENTS TO PROVINCES

Question No. 458—**Mr. Meunier:**

1. What amount was paid each year, since 1953 to 1957 inclusive, to each province which signed the dominion-provincial tax rental agreement?

2. What amount would the province of Quebec have received in each of the said years had it signed this agreement?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1.

	1952–53	1953–54	1954–55	1955–56	1956–57
	$	$	$	$	$
Newfoundland	10,735,033	11,824,613	12,547,103	12,483,742	13,805,028
Prince Edward Island	3,262,631	3,657,465	3,912,863	3,680,762	3,073,264
Nova Scotia	18,127,623	19,507,991	20,475,440	19,856,134	22,333,082
New Brunswick	14,986,427	16,178,111	17,047,327	16,630,001	17,806,998
Ontario	123,327,363	134,447,814	142,746,809	138,345,269	160,558,129
Manitoba	23,087,257	25,038,772	26,200,968	25,656,149	27,888,568
Saskatchewan	23,583,638	25,253,662	26,646,501	25,986,269	27,431,898
Alberta	27,312,973	29,802,544	31,816,130	31,592,934	37,310,747
British Columbia	40,354,837	43,516,016	46,051,964	45,392,814	55,730,441
TOTAL	284,777,782	309,226,988	327,445,105	319,624,074	365,938,155

Ontario did not rent the succession duty field.

2.

	1952–53	1953–54	1954–55	1955–56	1956–57
Quebec	112,562,875	121,824,632	127,908,098	126,680,838	140,433,508

The amounts specified assume that Quebec had rented all three tax fields.

The amounts specified in questions 1 and 2 above exclude the payments made to all provinces under clause 6 of 1952 c. 49 which payments involved the remission of 50 percent of the net income tax collected from corporations whose main business was the distribution to or generation for distribution to the public of electrical energy, gas or steam. These payments were not in the nature of tax rental payments.

UNEMPLOYMENT INSURANCE BENEFITS—TEMPORARY LAY-OFFS

Question No. 460—**Mr. McWilliam:**

1. Are members of Canada's labour force who have the necessary contribution stamps, and meet other requirements, who are temporarily laid off from their employment, eligible to draw unemployment insurance benefits?

2. Do unemployment insurance benefits cease if a beneficiary engages in repairs to his own property from which no cash revenue is derived?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Yes.

2. Each case has to be considered on its own merits after the full facts are known.

HOUSE OF COMMONS

Wednesday, June 17, 1959

The house met at 11 a.m.

GRAIN

WHEAT, OATS AND BARLEY—ANNOUNCEMENT OF INITIAL PAYMENTS

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I wish to advise the house that the government has approved initial prices to be paid by the Canadian wheat board on the basic grades of wheat, oats and barley for the crop year commencing August 1, 1959.

For wheat the initial payment is $1.40 per bushel, basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver. For oats, the initial payment is 60 cents per bushel, basis No. 2 Canada western oats in store Fort William, Port Arthur. For barley, the initial payment is 96 cents per bushel basis No. 3 Canada western six-row barley in store Fort William, Port Arthur. The new initial prices are the same as the initial prices in effect for the present crop year.

WATER RESOURCES

CHICAGO DIVERSION—TABLING OF U.S. NOTE

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I wish to table a note dated June 12 from the department of state of the United States addressed to the Canadian ambassador in Washington. I also ask the permission of the house to have the text of the note printed as an appendix to today's *Hansard,* which has been the practice, I believe, with other notes dealing with the same question. The note deals with the proposed diversion of water from lake Michigan at Chicago and is in reply to the Canadian note of April 9, 1959, which was tabled in the house on April 16. I propose that the note be tabled and printed, because a large number of members have indicated a continued interest in its subject matter.

Briefly, the United States note informs us that the Canadian note was transmitted to the committee on public works of the United States senate. Second, it sets forth that the department of state is not in accord with all the points in the Canadian note and that consequently it must reserve its position with respect to allegations of a legal nature. I suggest that this is a normal and proper precaution when there are so many agreements and understandings referred to in the Canadian note. Third, and perhaps most important, the department of state suggests that consultation should take place between the two governments. Consultation is a satisfactory approach, and I am sure all hon. members will welcome this proposal.

Mr. Speaker: Has the hon. minister leave to have the document printed as an appendix to *Hansard* today?

Some hon. Members: Agreed.

[*For text of note referred to above, see Appendix A*]

BUSINESS OF THE HOUSE

DISPOSITION OF MOTION OF LEADER OF THE OPPOSITION ON TODAY'S ORDER PAPER

Mr. Speaker: Yesterday I raised a question with respect to the notice of motion which hon. members will see standing in the name of the Leader of the Opposition at this point in the routine proceedings. There is no question in my mind as to the right of the hon. member to give this notice of motion. The question with which I was concerned, as I indicated yesterday, is where the notice of motion should go on the order paper, and that would depend on whether the proposed motion raised the question of privilege.

Yesterday I indicated that I had authorized the notice of motion to be put under routine proceedings, having in mind that the preliminary question could be dealt with at this stage. If the question raises a proper question of privilege, it seems to me it should be dealt with under the heading "Routine Proceedings". If it did not raise a proper question of privilege it would go under the orders of the day as a notice of motion.

I should like to refer hon. members to rule 17 with which they are all familiar, namely, that a question of privilege has to be taken up at the time it arises. The exact words are: "Whenever any matter of privilege arises it should be taken into consideration immediately." The effect is, of course, that a question of privilege, or a motion based on it, is a debatable motion and occupies the time of the house at that stage.

May I refer to the practice in these matters as explained by May in his *Parliamentary Practice,* sixteenth edition, at page 382:

It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege

is limited to deciding the formal question whether the case conforms with the conditions which alone entitle it to take precedence of the notices of motion and orders of the day standing in the order paper of public business, and does not extend to deciding the question of substance whether a breach of privilege has in fact been committed—a question which can only be decided by the house itself.

And a little lower down it says:

A prima facie case of a breach of privilege must be made out.—In judging whether a prima facie case of breach of privilege has been made out the Speaker excludes any matters which are otherwise properly to be dealt with under the practice or standing orders of the house.

Then, after noting that the matter must be raised at the earliest possible opportunity, the learned author proceeds at page 383 as follows:

As precedence is naturally desired by members, care has been taken by rulings from the Chair, not to extend that claim to any motion which does not strictly relate to matter of privilege, properly so called.

Then instances of refusals by the Speaker to grant precedence to matters claimed by hon. members to affect privilege are given. I shall not take the time of the house to deal with those but shall pass to page 384 and read this final paragraph:

Many motions more or less affecting privilege have been brought on in their turn with other notices of motion and on occasions matters to which the Speaker has refused precedence as a matter of privilege have been raised on a motion moved at a later date.

The issue at this time on which I indicated I would draw assistance from the house is really a procedural one; whether this motion is of a character which entitles it to be taken at this stage and be debated now, or whether it is not of that character; and I remind the house that of course by unanimous consent the house could hear the motion at this time regardless of its character.

I am going to ask the house to assist me in this matter before deciding whether or not a prima facie case has been made out. I think it might be relevant to draw the attention of hon. members to the question of what privilege has been infringed. This motion is based on a document which has been tabled, namely a judgment or the reasons for judgment of the president of the exchequer court. The motion recites a certain number of conclusions or observations which occur in the judgment. They are numbered from one to eight. That is the foundation for the motion.

If it is a motion of privilege and if any privilege of the house has been infringed it would, I think, depend on the significance of these conclusions which are set out from the judgment. If one assumes that all the conclusions are correct and that they may be taken as facts, the question in my mind is what privilege of the house is involved in the conduct of the hon. member for Peel to which these observations in the judgment relate. What privilege of the house would be involved and what is the nature of that privilege? If there is a breach of privilege which could be deduced from these facts, assuming these facts are correct, one would have a basis on which to go. Perhaps I should call on the mover of the motion to speak to this preliminary question.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, this motion was moved by me solely as one which deals with a matter of privilege which affects the house itself, and for no other reason. I believe that in the past it has been the custom for a member moving a motion of this kind to make a complete statement giving the reasons for the motion, the background of the motion, the circumstances surrounding the motion and at the end of that statement the motion has been moved. Until the motion is moved, though it is on the order paper, I submit that there is nothing before the house. You have asked me, however—and naturally I am not questioning your right to do so—for advice on this preliminary question dealing with a motion that is not yet before the house.

The motion will be moved by me, as I have said, as a question of privilege. It is a motion to refer to the committee on privileges and elections certain findings or certain reasons for judgment given by the president of the exchequer court, which findings and reasons seem to reflect on the conduct of a member of parliament. It is my submission that the implications of some of the passages in this judgment, of some of the conclusions, are too serious to be ignored by the House of Commons.

Some of these, Mr. Speaker, are included in the motion itself, and it is not necessary for me, at least at this stage, to go into them in detail; but I do submit, Mr. Speaker—and you have had a chance to study the motion—that these do raise questions of propriety, questions of the conduct of a member of parliament, which should be examined by the appropriate committee as a matter of protecting the privileges of the whole house, especially as they are included in a judgment given by the president of the Exchequer Court of Canada.

I call Your Honour's attention to Bourinot's *Parliamentary Procedure,* fourth edition, at page 162 under the paragraph headed "Questions Affecting Members Referred to Select Committees". The paragraph reads in part:

A reference to a committee is no doubt the proper procedure in all cases in which there are reasonable

doubts as to the facts or the cause that should be pursued, especially when it is necessary to examine precedents or witnesses.

Therefore, Mr. Speaker, I suggest that this is a proper question of privilege; that it is properly on the order paper; that I should be given the opportunity to move this motion to the effect that the matter should be submitted to a select committee.

Mr. Speaker: The Leader of the Opposition refers to the conduct of a member of parliament and to the privileges of this house. I would ask him whether he can go further in relating the conduct of the member to the privileges of the house, because it is not obvious how the conduct of the member affects the privileges of the house. What was done was not done in the house, if one accepts the conclusions or the observations in the judgment. What was done was not done in the house or in relation to the business of the house.

I know that the privileges of parliament are not a settled category, and they have not been fully defined. Unless there is some conduct which makes a member unfit to sit as a member of parliament, or unless his conduct relates specifically or directly to the house, its business and its dignity, then I am asking the hon. member, is there a question of privilege involved, assuming that all the facts are established? If so, what is the conduct that infringes the privileges of the house, and what privileges of the house are affected? These are really the two points which bother me.

Mr. Pearson: Mr. Speaker, if I went into that in detail I would be giving the statement which I expect to make when I move this motion, and it would be a very lengthy statement indeed; but the motion itself does indicate that the judgment of the court includes certain statements, makes certain observations, comes to certain conclusions and gives certain reasons which affect the conduct of a member of parliament in a matter of public policy, and a matter which affects the revenue as well. Surely, Mr. Speaker, these conclusions, these findings, which appear to reflect on the conduct of a member of parliament and also on his conduct in relation to a minister of the crown, are such as to warrant an investigation by a committee of parliament.

That is all we are asking for, Mr. Speaker, that this matter should he referred to the appropriate committee so that inquiry can be made into the statements which are included in a judgment of the president of the Exchequer Court of Canada, a judgment which does repeat certain statements affecting a member of parliament, certain statements which have been contradicted by another member of parliament who is a minister of the crown, and certain statements which have also been contradicted outside parliament. In view of these statements, in view of these contradictions, and in view of the implied reflection on a member of parliament, it is our submission that the privileges of the house are affected and that the whole matter should be cleared up by an examination through the appropriate committee.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, you have asked for some assistance as to whether or not this motion should be allowed at this stage, whether or not it raises a prima facie question of privilege. I have before me the citation from May to which you referred, and I have no hesitation in saying that on a number of grounds the motion is not in order. I shall deal with the less substantial grounds first.

You yourself directed attention to page 382 of May, and you said it is there laid down that the Speaker has to satisfy himself that the motion makes out a prima facie case of breach of privilege and, second, that it is being raised at the earliest opportunity. I shall deal with the second ground first. I point out to you, sir, that the Leader of the Opposition has fiddled around with this matter for over a week now showing, I suggest, a fear of coming to grips with it. I can understand his reluctance—because, of course, there is here no question of privilege—to do so; but his very conduct arising out of that reluctance has shown that he had plenty of opportunities to raise this matter before had he had the fortitude to come to grips with the matter as he should. He has not done so and on that ground alone it is clear from this tender footed approach, this shrinking violet approach that the hon. gentleman has made, that he is himself abusing the privileges of the house when he now seeks to have this matter raised and given priority and precedence over the other business of the house.

On the question of whether or not there is here a prima facie question of privilege, let me point out to you, Mr. Speaker, in accord with my submission that this is not a privilege motion, that even yet the Leader of the Opposition has not had the courage to come to grips with the issue and take the course which any member must take if he is going to raise a question of privilege of this sort: he has not made a charge against the member concerned. After more than a week, as I say, of fiddling about with the matter, mincing up to it and then backing away from

it in a most extraordinary manner, my hon. friend now solemnly tries to have parliament deal with this matter as a question of privilege, but he still lacks the fortitude to do what, as a member of parliament accepting his responsibilities, he must do if he wishes to raise this as a matter of privilege, namely say what charge it is that he founds and brings against the member concerned.

Every motion of this sort that I have examined, where questions of privilege have been raised on the basis of misconduct of members or conduct of members which requires to be investigated by the house, has stated specifically that the member making the motion is credibly informed and believes that he can prove his allegations, and then has specified the facts which it is believed he can prove, and the member makes a charge as to the specific conduct which he says should be investigated by the committee. The Leader of the Opposition still lacks the fortitude to follow that honourable course in this case.

Let me point out to you, sir, what other motions have said. I have here as a model a motion to have a matter referred to the standing committee on privileges and elections in 1891. This is found in the House of Commons *Journals*, volume 25, 1891, and it is in these words:

Mr. Tarte moved, seconded by Mr. Guay, and the question being proposed, that Israel Tarte, Esquire, the member representing the electoral district of Montmorency in this house, having declared from his seat in the house that he is credibly informed, and that he believes, that he is able to establish by satisfactory evidence that—

Then follows the specific allegation of the matter alleged as misconduct on the part of the member concerned.

In 1894 a motion is recorded in the House of Commons *Journals*, volume 28, page 155 in which Mr. Bruneau moved, seconded by Mr. McGregor, and the question being proposed:

That Mr. Arthur Aimé Bruneau, member of this house for the electoral district of Richelieu, having stated in his place in the house that he is credibly informed and believes that he can establish:

1st. That Arthur Joseph Turcotte, Esquire, a member of this house for the electoral district of Montmorency, and while he was a member of the house, to wit: from the eleventh day of March, 1892, until the first day of February, 1893, was a partner in the firm of Messieurs Turcotte & Provost—

Then it goes on to make specific allegations that he used his position as a member to obtain contracts for that firm. In a motion recorded in the House of Commons *Journals*, 1910-1911, page 224, Mr. Blondin, member of parliament for the electoral district of Champlain, declared:

—I am credibly informed, and I believe that I can establish by satisfactory evidence:

That in the course of the years 1908, 1909 and 1910, irregularities, abuses, frauds, malversations and robberies have been committed in the shops and stores of the government of Canada—

—at a certain place, and that certain things were illegally and fraudulently taken from this place at the expense of the government of Canada and transported to the house of Mr. Adelard Lanctot, a member of parliament.

In every case, therefore, where a member has really felt that the conduct of one of the other members of the House of Commons should be examined, that member has followed the correct and honourable course of making specific charges so the member concerned will know what it is he has to meet. The member has also referred specifically to, and dealt specifically with, the evidence upon which those charges are based, and that has been done in the motion itself. There is no such honourable course being followed here, Mr. Speaker. All that is happening here is that under the guise of a so-called motion of privilege an attempt is being made to smear one of the members of this house, without alleging in any single instance what is the conduct that is supposed to be unbecoming to the member of parliament.

What are the words used by the Leader of the Opposition when you, Mr. Speaker, gave him an opportunity this morning to do that which he should have done from the outset if he were really serious about this matter? Here are the words he used. He said the judgment, the findings and the reasons, seem to reflect upon a member of this house. I challenge him to say how it does reflect. What specific charges does he make? He says it contains findings too serious to be ignored by the House of Commons. He is not able to mention one single finding he regards as serious.

Because of course there is no finding against a member of the House of Commons. He says it raises matters that question the propriety of the conduct of a member which should be examined. In all these things the hon. member uses the camouflage about raising questions with regard to the conduct of a member that require to be examined, but when it comes down to it and he is given the opportunity, he cannot, he refuses, or he is afraid, to pinpoint any one single specific charge. What is the conduct he is complaining about, Mr. Speaker? My submission is that in the absence of anything specific, this is not a question of privilege.

Now let me refer Your Honour to the most outstanding example of this nature, and that is the case in 1907 when a motion in somewhat similar terms, a similar rather sneaky motion, was made to try to get the conduct of a member brought before the

committee on privileges and elections without the mover having the fortitude to state in particular what was the conduct that was complained of. In that case there had been a report of a royal commission which had been set up to study life insurance. The allegation made in that sneaky manner on that occasion arose out of the report of the royal commission, so there is a direct parallel with what is happening here. My hon. friend seeks to hide behind a judgment of the exchequer court. Both cases, then, have arisen by way of reports originating outside of the house, and attempts being made to bring them into the house to smear a member.

In the case in 1907 the royal commission referred in passing to the activities of certain members of parliament, but that royal commission report itself was different from the present judgment with which we are concerned in that it shed very serious doubts on the integrity of certain members of parliament. In particular, they were alleged to have used money from insurance companies of which they were directors to finance their own private undertakings, and to speculate in the stock market.

Now, as I say, a motion was founded upon that report by Mr. Bourassa on March 26, 1907, when he moved:

> That the report of the royal commission on life insurance and the evidence connected therewith have made public various transactions in which members of this house participated—

Then the members were named in the motion. The motion also went on to point out that such transactions had been commented upon by several organs of public opinion in terms reflecting upon the honour, the integrity and the independence of the named gentlemen. It went on to say that references to such transactions had been made in the house during the present session, and then it detailed the occasions upon which references had been made in the house to the members named in the royal commission report. There are a number of specific references to the occasions on which comments had been made on that matter. The motion then went on as follows:

> That the government should therefore ask the house to constitute a special committee to conduct a strict and impartial inquiry as to whether any ministers of the crown or members of parliament have improperly made use of their positions as such for their private gain or have otherwise been guilty of personal misconduct under such circumstances or of such a character as to justify the intervention and censure of this house.

Then we find these words:

> That any charges that may be preferred against any member of the government or of the house should be formulated before that committee, and that members of this house or other persons who have material or data at their disposal with reference thereto should divulge them to that committee.

What was asked on that occasion, Mr. Speaker, is exactly what is being asked on this occasion. Innuendos were raised against members in general terms, but no specific charges were made against those members. The house was asked to authorize a witch hunt before a special committee, and that is what we are being asked to do here, to authorize a witch hunt before a special committee. The House of Commons did not accept that motion, but it was very properly rejected on the grounds that it was an improper one, just as this is an improper one.

Sir Wilfrid Laurier had occasion to make a lengthy statement about the proper principles and the proper bases upon which such inquiries should be asked for and granted. He said this, as reported at page 5458 of *Hansard* for 1907:

> If there are rumours against me, or against any of my colleagues, it is open to any man to take up these rumours and to bring them forward in the shape of a charge which I can meet—

I ask my hon. friend the Leader of the Oppositon, who has succeeded to the position held by Sir Wilfrid Laurier and who I am sure would like to be worthy of that position, to bear in mind these manful and honest words and to model his own conduct upon that admonition.

> —to which I can oppose my denial or in regard to which I can offer my explanations. But, sir, it is absolutely unprecedented in any British parliament that the House of Commons has ever investigated or has ordered one of its committees to investigate rumours. The House of Commons has never, either in this country or in the mother country, ordered an investigation except upon a charge which the man against whom it is levelled can face and to which he can give an answer.

Later in the course of the same debate Sir Wilfrid said:

> The house has affirmed, and it is also the rule of the house which has come to us from the mother of parliaments, that the conduct or standing of any member of the house cannot be impugned except upon cause being shown and until a member rises in his place in the house and says: I have reason to believe and I can prove such and such a thing against a member.
>
> Otherwise there is no occasion to go into this general inquisition which is proposed by the hon. member for Labelle. Under such circumstances it seems to me that the course taken by the Speaker is the correct one and we have nothing to do but stand by the ruling of the Chair. If, at a later period, the hon. member for Labelle or anybody else, thinks there is in this house any member who ought not to be a member of it, who has disgraced himself, or whose conduct ought to be investigated, it is open to him to demand such an investigation, but the house, I hope will not depart from the sound traditions which have come to us from England and according to which there could be no inquisition into any man's conduct or standing except on charges made specifically.

Then he went on to say:

> I think the common sense of the house will not allow a departure from what is a well known law of parliament, or from the rules which would be applied in England, if cases of this kind were to arise, and therefore it seems to me that we have only to maintain the traditions and rules of the house and of parliamentary government.

Mr. Speaker, I submit to you that the proper course for the Leader of the Opposition to follow would have been to make his charges and state the evidence upon which he relies to prove them, and if a motion of that kind were put forward there would be no hesitancy, not an instant's delay, in accepting it and setting up a committee to make inquiries into the specific charges made. But this parliament has always rejected, should reject, and will I hope continue to reject, allowing itself to be used as an instrument of smearing or witch hunting, and going to the formality of setting up a committee and looking into what? Charges? No; innuendos.

We have the allegation that there is something here too serious to be overlooked; yet the hon. member cannot find a single specific charge to base on something which he says contains allegations too serious to be overlooked.

If the motion were in a form such as I have indicated and such as would comply with the principle set out in the words of Sir Wilfrid Laurier, then as I say I am certain there would be not an instant's delay in accepting the motion and setting up the committee. Surely it is not the function of the committee on privileges and elections to find out whether there is something on which a charge can be laid. That is the obligation of the Leader of the Opposition if he believes what he says. It is his obligation to make specific charges, and the proper role of a committee is to examine whether or not complaints so made are justified, not to examine whether there would be a case for a member of the house to make a complaint of breach of privilege out of the study of this judgment or any other documents.

Therefore, Mr. Speaker, may I repeat my grounds upon which this motion should be rejected. First, the hon. gentleman has deprived himself of the opportunity to bring this up at the right time; he has brought it up too late. It is a proper and sensible rule that if a man wants to raise a question of breach of privilege he should do it at the earliest possible moment, because such questions should only be raised when the member raising them really believes that they are serious, and a test of his seriousness is whether he raises them at the earliest possible moment. The Leader of the Opposition, as I said, has backed and fiddled and minced around this thing to such an extent that it brings him into conflict with the sensible and sound rule which I suggest was placed there to ensure that if a member wants to raise a matter he must be sufficiently serious about it to raise it at the first possible moment.

Second, the motion is not in proper form to raise a matter of privilege. Let me say here, sir, that this is the most harmful aspect of this motion, because it is a motion which is not and should not be expected to be moved in this house. Yet what has been done? There is a printed motion on the order paper, general innuendos and insinuations are made, and by our rules and in order to preserve the dignity and tradition of parliament the member referred to in the motion has no opportunity to answer. That is the position in which the Leader of the Opposition has deliberately placed a member of this house. I cannot find words strong enough to condemn that course of action, sir.

I think I have said enough on the question of order, Mr. Speaker. If I were to say any more I would be bound to go even further than I have into the substance of the motion. That I do not propose to do because we are discussing here a point of order, and in the second place I submit there is no substance to this motion. There is merely shadow, innuendo and smear of a nature which should not be brought before this house.

Mr. Pearson: Mr. Speaker, I propose to follow the example of the Minister of Justice in one respect and in one respect only, and that is to go into the whole question of this motion as he has done. Naturally I had expected that that would be done when I was called on to move the motion after you declared it in order, if you did declare it in order; but in view of what has been said I know you, Mr. Speaker, will give me exactly the same right to deal with this matter that the Minister of Justice took unto himself.

I am not going to say anything about the minister's personal observations. When a minister of the crown in an argument dealing with a point of order starts referring to the fortitude and the courage of a member who is taking the other side, he condemns only himself. This is a matter Mr. Speaker, which I thought could have been discussed without that kind of slurring, personal observation. It is not becoming to any member of the house, especially the Minister of Justice.

Some hon. Members: Oh, oh.

Mr. Pearson: It merely shows, Mr. Speaker, that the minister is a little worried about the substance of his case and had to fall back on that kind of talk.

The minister has talked about the Leader of the Opposition fiddling around with this

motion. I would point out to the Minister of Justice that the judgment of the court on which this motion is based was tabled in this house on Monday last, and this motion was submitted to you, Mr. Speaker, on Monday last. If a motion in this form had been placed on the order paper, or if we had requested that it be placed on the order paper before the judgment had been tabled, the Minister of Justice would have been the first to say that it was out of order because it was referring to a judgment which had not been tabled in this house. And why was it not tabled earlier, Mr. Speaker? Ask the Prime Minister. We asked the Prime Minister to table this document on the first occasion the matter was brought up in the house, but the Prime Minister said, "If you want it tabled, table it yourself." The Prime Minister said, "Table it yourself."

Mr. Diefenbaker: My hon. friend had it.

Mr. Pickersgill: It was not before the house.

Mr. Pearson: Mr. Speaker, since when has it become the function of the opposition or the right of the opposition to table documents in this house? Then the Prime Minister said, "I see no reason why it should not be tabled." That was a week or so ago, but even then he did not bother to table it. Then when it was brought up again the Prime Minister said, "Well, I have a copy, but it is all marked up and I cannot table it." Finally, when was it tabled? On Monday last, and we put this motion on the order paper on Monday last. Who then was fiddling around with the motion? The Prime Minister will no doubt deal later with his obvious reluctance to table this document which would make possible this kind of motion.

This motion, then, Mr. Speaker, was put on the order paper as dealing with a question of privilege. That of course was not required under our rules. It would have been possible under our rules for me to have risen at any time once this document had been tabled and raise this matter on a question of privilege without any notice at all.

Now, Mr. Speaker, on every previous occasion when a matter of this kind was brought up in the House of Commons affecting a member of the house, notice was not given; the question of privilege was raised by a member of the house, and his motion was moved without notice. We put it on the order paper so that members of the house would have time to examine it and go into the question. As a matter of courtesy to the house we gave 48 hours' notice, and then the Minister of Justice said we were fiddling around. It was perhaps the kind of courtesy from the opposition that the minister does not understand, because he rarely gave it to us when he was over on this side of he house.

Well, this is a perfectly proper motion, and it is placed on the order paper in accord with a good many precedents, some of which I will proceed to deal with. As the Minister of Justice has brought up one or two to support his case, I will be glad to refer to one or two of those he has mentioned as well. I suggest that the action we have taken on this side was required once the exchequer court judgment was made public and that judgment was tabled in this house. We have now taken action in a form in which it could not have been taken before that judgment was tabled.

Mr. Fleming (Eglinton): That is not right.

Mr. Pearson: That does not mean that this matter could not have been raised in the House of Commons by those concerned, and I suggest that the first person who had an obligation to raise this matter in the House of Commons was the hon. member for Peel. He owed it to the house, once this judgment was made public involving him and making references to him—references which were contradicted by a colleague in the house, the Minister of Transport—to make a statement.

Once that was done, perhaps it would have been a good thing, and perhaps it would have avoided a motion of this kind if the hon. member himself had made a statement to the House of Commons. He chose not to do so, though there were occasions last week when that could have been done. Last week, too, there was a discussion of this matter on the estimates of the Department of Transport which would also have given him the opportunity to make a statement. But the hon. member, as was his right, chose to remain silent with respect to this matter and with respect to statements made by the president of one of the highest courts in this land.

Then, I suggest, it was the duty of the Prime Minister, as leader of the house, to make a statement on this matter.

Mr. Fulton: What are your charges?

Mr. Pearson: The Prime Minister has often talked about the desirability of maintaining the rights and privileges and dignity of parliament. Why, then, did not the right hon. gentleman, when this judgment was made public and when there was included in this judgment certain statements which certainly reflected on a member of this house, make a statement on this matter? Sir Winston Churchill did so in 1940 in a situation similar to this, which I will go into later.

Mr. Fulton: Where are the charges?

Mr. Pearson: If the Minister of Justice would remain silent, as I remained silent when he talked about me, I will give him all the details later. This will take a good deal of time, so the hon. gentleman might as well contain himself in patience. If he cannot enjoy it he can at least relax.

The Prime Minister chose not to take this course. He chose to place the onus of raising this matter of requesting an inquiry on the opposition. He said, make a charge. The Minister of Justice has repeated that this morning. Then the Prime Minister said, "If your charge does not stand up, you can be charged with a breach of privilege". This, I suggest, was intimidating nonsense. The Minister of Justice said the same thing this morning; make the charge. I will come to that a little later. I propose now to read to the Prime Minister the words of Sir John A. Macdonald in 1877 when a similar suggestion was made to him as leader of the opposition at that time. Asking why he should take the responsibility of asking for an inquiry, this is what he said at that time as reported in *Hansard* of that date.

> Why had the hon. member for West Elgin (Mr. Casey) called upon the opposition to move this resolution? Why should he think it the duty of the minority to call the attention of this house to the matter, and to protect the rights of the people? Why should it be supposed that it rested peculiarly upon the weaker half of parliament to vindicate the independence and the rights of parliament?

Mr. Diefenbaker: Would the Leader of the Opposition say what was the nature of the allegation at that time?

Mr. Pearson: I will be glad to send that information over to the Prime Minister in due course.

Mr. Diefenbaker: Oh, you have not got it?

An hon. Member: Yes, he has.

Mr. Pearson: I have no apology to make for the course we are taking in this matter, and in particular I have no apology to make to the Minister of Justice.

Mr. Fleming (Eglinton): Might I ask the Leader of the Opposition a simple question? Would he give us the page reference in *Hansard* for the quotation he has just read?

Mr. Pearson: Yes. It is *Hansard* for April 9, 1877, page 1312. Perhaps the minister would like to send out for the volume.

Mr. Fleming (Eglinton): We shall check it to make sure.

[Mr. Pearson.]

Mr. Pearson: We reject the insinuations and the accusations of the Prime Minister, the Minister of Transport and the Minister of Justice—

Mr. Speaker: Order. The Leader of the Opposition has suggested he will be some time yet, and we have run across another rule of the house which requires questions marked with an asterisk to be taken up within one hour of opening unless the house agrees to deferring those questions until this matter has been disposed of. Does the house so agree?

Some hon. Members: Agreed.

Mr. Pearson: I reject the accusations and insinuations that we had some nefarious intention in bringing to the attention of the house something which the Prime Minister himself should have brought to the attention of the house, since this concerns a judgment of a court of this land.

Last week we discharged to the best of our ability our duty of trying to get information on this matter while the estimates of the Department of Transport were before the committee of the whole. All we got in return for our pains on that occasion—and if we had got the right kind of information and the proper statements perhaps this motion would not have been necessary—was a political harangue from the Minister of Transport, and a suggestion on his part that our motives were unworthy; that we were in some way—and these are his words, not mine—investigating kickbacks—an idea, and a phrase, which had never appeared on this side of the house from the beginning to the end of our discussion on this matter. We heard nothing, of course, from the hon. member for Peel.

What we are doing in this motion now, which is, I submit, a perfectly proper one and perfectly in order, is this. We are asking for an inquiry into certain statements which were made in court, certain statements which reflect, or appear to reflect, on a member of this house. I suggest that standards of conduct are involved in these statements which appear in this judgment, and for the benefit of the Minister of Justice I will document these statements in a few moments. Furthermore these statements, as I have already said, involve contradictions between the words of a member of the house and the words of a minister of the crown, as I will also show later.

Therefore is this not a matter which should be looked into by a committee of this house? Is there something wrong in suggesting that a committee should look into these statements? Our feelings in this matter are not

unlike those of the hon. member for Kootenay West (Mr. Herridge) who, speaking on behalf of his group on June 11 said, and perhaps he will permit me to quote him:

> We in this group think it is most unfair for this issue to be left in the air. It is most unfair to the hon. member concerned, and to the house.

That is from *Hansard* at page 4589. Then the hon. member went on to say, on the following page:

> But I think in fairness to him the whole matter should be cleared up, and on that account this group would support the request of the official opposition that a committee be appointed to inquire into the whole thing to settle it once and for all.

That is what we are suggesting in this motion. Some hon. members might ask why we do not in our motion request that the entire document, the full judgment, be sent to a committee. That, I think, would be improper because it would leave a suggestion that the legislature is examining and reporting on a court judgment. In that sense it would no doubt be exceeding its powers; but the conclusions in this judgment and the reasons for the judgment expressed in this document affecting the actions of a member of parliament are something else again, and quite proper for examination by a committee of the house.

I want to deal with some of the procedural matters raised in opposition to this motion by the Minister of Justice once he got around to that part of his statement. I shall deal first with how the House of Commons has acted in the past in providing for an examination in committee of the conduct of a member, and second with the reasons for judgment in this exchequer court judgment I shall specify, because I was asked to do so by the Minister of Justice among others, the particular matters which give rise to questions relating to the propriety of the actions of the hon. member for Peel.

If I spend some time on the procedural aspects of this motion I do so not only because of the importance of the question in itself but also because of the wholly unjustified conclusions drawn by the Prime Minister and by the Minister of Justice this morning from past actions taken in cases of this kind by the House of Commons. We certainly do not intend to let these conclusions remain on the record unchallenged and uncorrected, and perhaps in correcting them it may assist you, Mr. Speaker, in the decision you will come to as to whether or not this motion is in order.

The Prime Minister made a number of comments in this house the other day in connection with procedure in such cases, and the Minister of Justice made some comments this morning. The Prime Minister particularly made some comments with regard to the circumstances under which a committee of this kind is set up, and the Minister of Justice followed him in this respect this morning.

I asked the Prime Minister a question on this point, and it will be found at page 4410 of *Hansard* for Monday, June 8. This was the question:

> I should like to ask the Prime Minister whether he does not agree from a study of the judgment—and I had not an opportunity of making that study last Friday—that there are contradictions between statements in this judgment about a member of parliament and statements made outside the house on the same matter by the same hon. member, contradictions which in fairness to all concerned should be cleared up?

The Prime Minister replied to that statement as follows:

> Mr. Speaker, I know of no contradictions such as are suggested by the Leader of the Opposition.

Perhaps he will know about them after I finish my talk this morning.

Mr. Diefenbaker: Mr. Speaker, I do not rise in order to interrupt the hon. gentleman, but this discussion is far afield from the point you raised as to—

Some hon. Members: Order.

Some hon. Members: Closure.

Mr. Diefenbaker: —whether or not this is a proper question of privilege and whether the motion is in order. I have no objection to a general discussion if the motion is held to be in order, but Your Honour did ask that the discussion be confined to certain particulars; namely, is there a question of privilege, and what, if anything, is comprised within this motion within the purview of privilege? What the Leader of the Opposition is now doing is proceeding to make an argument and stating that when he gets through—having cluttered up the record with all these observations—then you will make the ruling, thereby defeating the very point that Your Honour must have had in mind when the question was raised as to whether or not discussion at this time on this motion is within the rules.

Mr. Pearson: Mr. Speaker, apart from the fact that a point of order cannot be raised even by the Prime Minister on a point of order, which is what we are discussing, I call to your attention that if I am straying afield it is because the Minister of Justice set the example in that regard, and strayed so far afield that he found it necessary to call to the attention of the house some of my personal qualifications for introducing this motion at all. Then after the Minister

of Justice made that kind of speech, and at a point when I am dealing with the precedents in this matter, the Prime Minister gets up and tries to halt the debate.

Mr. Diefenbaker: In answer to that may I say, Mr. Speaker, that we would be very happy to hear what the hon. gentleman has to say but the point of order is that the hon. gentleman is out of order and is endeavouring—

Some hon. Members: Order.

Mr. Speaker: Order. If the Leader of the Opposition has yielded the floor to the Prime Minister I will hear what the Prime Minister has to say.

Mr. Pearson: Thank you, Mr. Speaker. I will now continue.

Mr. Speaker: Order. I understood that the Leader of the Opposition had yielded the floor to give the Prime Minister an opportunity to reply.

Some hon. Members: No, no.

Mr. Speaker: If not, I will give the floor to the Leader of the Opposition. I think the observation is correct that we are discussing a point of order and it cannot be superseded by another point of order. I believe that what was said about the course of this discussion is correct. I allowed some latitude because of the remarks that had been made by the Minister of Justice which were not strictly on the point of order. I think if we are to secure the advantage of this discussion at all, it is to prevent the time of the house being taken in long debate, so we should come to the conclusion as rapidly as we can. I do want the Leader of the Opposition to give me all the precedents he can to be specific about the conduct which he says amounts to a breach of priviledge, accepting the facts set out in the judgment.

Mr. Pearson: The Minister of Justice challenged me to produce precedents which would support this motion, he having produced some on his side. He also challenged me in no uncertain terms—in fact he reflected upon my courage because I had not done so previously—to produce the details in the judgment which reflect on the conduct of a member of the house, and that is what I am going to do.

Some hon. Members: State your charges.

Mr. Speaker: Order. Would the house kindly let the hon. member who has the floor proceed.

Mr. Pearson: I wish now to return to the Prime Minister's statements, which have a bearing on the nature of this motion and which certainly have a bearing on what the Minister of Justice said in regard to the necessity of introducing a charge in a matter of this kind. That is what I want to deal with now, because as the Minister of Justice said it is a very important aspect of this whole situation both procedurally and in substance.

I asked the Prime Minister a question on this point, concerning the circumstances in which a committee should be set up to inquire into a matter of this kind. My question was asked on June 8 and although I believe I have already placed this on the record I should like to repeat it:

> I should like to ask the Prime Minister whether he does not agree from a study of the judgment—and I had not an opportunity of making that study last Friday—that there are contradictions between statements in this judgment about a member of parliament and statements made outside the house on the same matter by the same hon. member, contradictions which in fairness to all concerned should be cleared up?

The Prime Minister replied, as I stated a moment ago, that he knew of no contradictions such as I suggested. Then he went on to say something that has a bearing on the nature of this motion and the question as to whether or not it is in order. The Prime Minister said:

> I may say a committee is not set up for the purpose of resolving contradictions. The circumstances under which a committee is set up are very clearly shown to be based upon a charge or charges made by a member of this house.

This assertion was repeated this morning by the Minister of Justice. The Prime Minister quoted Sir Wilfrid Laurier, and I think the Minister of Justice repeated the quotation this morning with a few observations of his own on the desirability of my following in the footsteps of Sir Wilfrid Laurier, which of course had very little to do with this motion. Later the Prime Minister quoted Sir Wilfrid Laurier to the effect that:

> —there could be no inquisition into any man's conduct or standing except on charges made specifically.

Again, on the following day, a question was asked by the hon. member for Laurier (Mr. Chevrier) which is reported at page 4457 of *Hansard*. The question was:

> I wish to ask the Prime Minister whether he will provide an opportunity for a parliamentary examination in order to elicit the facts and clear up contradictions.

The Prime Minister again returned to the theory he had advanced the previous day, and I quote now from page 4457 of *Hansard*, where he said:

> The committees are set up in respect of matters affecting the privileges of parliament. If the hon. gentleman in the ordinary course desires such an investigation then he will make the necessary

charge, and when the charge is made action will be taken in accordance with the principles that at all times—

I repeat these words:

—that at all times have been applicable to parliamentary procedure.

In support of his contention the Prime Minister also made this statement, and I quote again from page 4410 of *Hansard:*

I think I should refer to the authorities so the record will be complete in this regard. I say, first, that on the basis of the experience of the past and of the traditions of this house, all the cases referred to the standing committee on privileges and elections since 1867—

And I repeat that:

—all the cases referred to the standing committee on privileges and elections since 1867 had to do with alleged improper conduct whereby a member allegedly had used his public position in order to further his private interest. Those cases go back to 1877.

The Prime Minister then proceeded to put on the record in detail information in respect of the following cases; the case of Mr. Speaker Anglin in 1877; the case of Mr. Rykert in 1890; of Mr. McGreevy in 1891, and of Mr. Foster in 1915. Well, Mr. Speaker, we have looked up the precedents, including these four cases, and they are the only ones I will deal with at this time. If the Prime Minister had made the same kind of study he would have found that in only one of the four cases was a charge or charges embodied in the motion. Therefore the Prime Minister's contention that a charge is required, the statement of the Minister of Justice that a charge must be embodied in the motion, and the Prime Minister's contention that there has to be an allegation of improper conduct whereby a member has used his public position in order to further his private interest, has no foundation whatever.

Mr. Speaker, for your information in case you have not had the opportunity to look up these cases, and for the information of the Prime Minister who obviously did not have the opportunity to look at them, we can prove, I think without any possibility of doubt, as I have said, that in only one of the four cases cited by the Prime Minister was a charge or charges incorporated in the motion referring the matter to the committee on privileges and elections. I call this to the attention of the Minister of Justice.

Mr. Fulton: I have read them.

Mr. Pearson: This is rather flimsy evidence for the sweeping claim of the Prime Minister that "the circumstances under which a committee is set up are very clearly shown to be based upon a charge or charges made by a member of this house".

Mr. Fulton: The hon. member misread the motion.

Mr. Pearson: And that such a course "is in accordance with the principles that at all times have been established as to parliamentary procedure".

Mr. Fulton: The motion shows clearly that there was a personal charge.

Mr. Pearson: I go on. I will proceed to deal with the first case, that of Mr. Speaker Anglin. The motion will be found in the *Journals* of the house—and the *Journals* of the house are the authoritative record in these matters—for April 9, 1877; and for the benefit of the Minister of Finance it is on page 236, volume II.

Mr. Fleming (Eglinton): Thank you.

Mr. Pearson: The motion reads as follows:

On motion of Mr. Casey, seconded by Mr. McDougall,

Resolved, that the attention of this house having been called to the reports, returns and vouchers laid upon the table, touching the payment of public moneys to the Hon. T. W. Anglin, member for the electoral district of Gloucester, for printing and stationery for the Post Office Department, the said papers be referred to the select standing committee on privileges and elections, and they be directed to enquire into facts, to search for precedents, and to report the result of their enquiries.

Mr. Pickersgill: No charge whatever.

Mr. Pearson: Where is the charge there? The papers were laid on the table and were referred by the House of Commons to the standing committee, and the standing committee was asked to report back its findings on the papers.

Mr. Speaker: To assist the Leader of the Opposition, may I say I have read all four cases to which he is about to refer and I am informed of them.

Mr. Pearson: Yes, Mr. Speaker, but I would like to put them on the record just the same in view of what has been said about them by the Minister of Justice.

Mr. Speaker: I was not trying to direct the hon. member as to how he should deal with them.

Mr. Pearson: I am sure it was presumptuous on my part to think perhaps I could enlighten you by reading these cases, but perhaps it is not presumptuous to assume I may be able to enlighten the Minister of Justice. The second case was that of Mr. Rykert, in 1890. I think he was the member for Dundas at that time. Sir Richard Cartwright proposed a motion which concluded as follows:

That the conduct of the said John C. Rykert in the premises—

There is a long list of charges in this one.

—is and has been discreditable, corrupt and scandalous.

Well, these are certainly charges. No one will deny that these are specific charges; but the house, Mr. Speaker, as you know, refused to accept the motion in that form with these charges, and the house finally sent the case of Mr. Rykert to a committee on the basis of an amended motion from which all specific charges had been removed. The final motion simply sent certain papers to the committee on privileges and elections. The final motion, for the benefit of the Minister of Finance, will be found in the *Journals* of 1890, volume XXIV, page 198. The final motion merely said this:

That the said papers be referred to the select standing committee on privileges and elections.

Was that witch hunting? Was the previous case witch hunting? Do these cases justify the Prime Minister's statement that in all cases since 1867 charges had to be included in a motion of this kind?

Mr. Diefenbaker: They do.

Mr. Pearson: The next case was that of Mr. McGreevy in 1891. There is no doubt that charges were included in this motion, and this is the very case to which Sir Wilfrid Laurier referred in the references made by the Prime Minister. There is no question about that one, and that of the four cases it did include charges; but I would now conclude my survey of the cases cited by the Prime Minister by reference to the last case he cited and it gets a little closer to our own time. It is the case of Mr. Foster in 1915.

This case will take me a little longer to recite than the previous one, Mr. Speaker, because it is more recent and because this all occurred eight years after Sir Wilfrid's statement on which the Minister of Justice and the Prime Minister relied, and finally because it is the most recent precedent mentioned by the Prime Minister. I think this particular case will serve to make a complete and permanent shambles of the contention of the Prime Minister and the Minister of Justice that the house has taken action only on the basis of charges.

The sequence of events in this case is shown in the *Journals* of the house to be as follows. Mr. Maclean, a member I think of the opposition at that time and the member for Halifax, moved for correspondence between the auditor general and the militia department, which was produced as sessional paper 122 about two weeks later, then ordered printed on a motion of Mr. Borden a week later. He was the prime minister at that time, and he adopted a different attitude in respect of this matter than the Prime Minister adopts today in respect of the situation before us. Mr. Borden ordered that the correspondence be printed as a sessional paper, and a week later it was sent to the committee on public accounts on the motion of Mr. Maclean.

I should like to put that motion on record. It is found in the *Journals* of the house for March 12, 1915, page 134. Here is the motion:

On motion of Mr. Maclean, seconded by Mr. Carvell, ordered, that sessional papers numbered 122 of the present session of parliament, and all other papers in relation thereto, being copies of correspondence between the auditor general and the Department of Militia and other departments of government, laid upon the table of the house, in respect to expenditures under the War Appropriations Act, be referred to the select standing committee on public accounts.

The prime minister, Mr. Borden, who spoke in the very short debate which took place before the order was accepted—and it was accepted—fully realized the implications of the passing of this order because at that time he said, as found at page 945 of *Hansard* for 1915:

I am also the more inclined to accede to the motion of the hon. member for Halifax for the reason that a member of this house, the hon. member for Carleton, Ont., came to me some time ago and asked that matters in this correspondence that have been commented upon especially in the press of this country as touching his own position in the house should be fully investigated at the earliest possible moment.

That was the attitude taken by the member affected at that time, and that was the attitude taken by the prime minister at that time in regard to a motion to submit this correspondence to a committee of the house. The member for Carleton of that day, Mr. Garland, fully realized that passing this motion would involve an inquiry into his actions. He was under no illusions about that, but he asked for it just the same. Mr. Garland said, and I quote from page 947 of *Hansard* for March 12, 1915:

First of all, since I have become a member of parliament, I have not been in any way whatever interested in contracts with the dominion government, and have never been and am not now, directly or indirectly, by understanding, secret or otherwise, or in any other way whatever, interested in the dealings which Mr. Powell had with the militia department, or with any department.

If any further evidence is required that the house in that motion, and it has much similarity to the motion before the house today—

Mr. Diefenbaker: What is the similarity?

Mr. Pearson: That certain papers were being referred to a committee of the House of

Commons which included information dealing with a member of parliament. The circumstances are well known to the Prime Minister.

Mr. Diefenbaker: There is no personal wrongdoing as in the case cited by the hon. gentleman.

Mr. Pearson: If any further evidence is required that the house in that motion realized that it was dealing with its privileges and with the actions of two of its members, I have only to mention that unless the house had realized that it was dealing with privilege it could not have entertained the motion of a private member to refer correspondence to a standing committee of the house, because that is the only kind of motion that a private member has the right to move.

From the inquiry launched in the manner I have described came a report of the public accounts committee to the house on April 15, and from it certain parliamentary consequences ensued. At that time Sir Robert Borden made, I think, a courageous statement in the debate. He dealt very carefully with both Mr. Garland and Mr. Foster, and he expressed the strongest disapproval of their actions. But I want to draw particular attention to one sentence that Mr. Borden used in reference to Mr. Foster. As found at page 2614 of *Hansard* for April 15, 1915 he said:

> So far as Mr. Foster's connection with the matter is concerned, it should be taken into consideration that he is a very young man, altogether inexperienced in business, and that he is not shown to have profited in any way by the transaction.

"He is not shown to have profited in any way by the transaction", said Sir Robert. Perhaps that statement may cause the Prime Minister to revise his claim made on June 8 that he could find no case in which any such submission to a committee was ever provided for except where it had been alleged that there was on the part of the hon. member improper conduct resulting in his personal gain.

There is one other case, Mr. Speaker, which I want to bring to your attention. Perhaps you have not had an opportunity to study it. It is a United Kingdom case, and it is even closer to the present situation. It is the case of Sir Robert Boothby in the British House of Commons in 1940 and the action taken by the prime minister, Sir Winston Churchill, and the House of Commons in regard to this matter. There was a motion in the British house to refer the conduct of Sir Robert Boothby to a select committee. There was no charge levelled in that motion. The prime minister of the United Kingdom at that time reached a decision himself to refer the matter to a select committee because he thought the circumstances justified an inquiry of that kind. These grounds, said Sir Winston Churchill, these circumstances seemed to raise the question of whether Sir Robert Boothby's action had been in accordance with the usages of parliament or the standards it is entitled to expect of its members, just as we say in connection with this motion that the findings of a court raise certain questions which should be examined as they affect the conduct of a member of parliament and the propriety of his conduct.

Mr. Churchill: Will you give us the reference, please?

Mr. Pearson: The reference to the United Kingdom *Hansard* is October 17, 1940, page 830. It is a very well known case. At that time Sir Winston Churchill, then Mr. Winston Churchill, felt that the circumstances justified submitting to a committee, without, as he said, prejudicing the issue in any way, this particular situation which concerned a member of parliament who was a member also of his own ministry. He was not in the cabinet but he was in the ministry.

Mr. Diefenbaker: What were the facts?

Mr. Pickersgill: The facts were to be found by the committee.

Mr. Pearson: I will read the motion. Mr. Churchill's motion may be found in the British *Hansard* for the date and on the page I have given. It reads as follows:

> That a select committee be appointed to investigate the conduct and activities of Mr. Boothby in connection with the payment out of assets in this country of claims against the government of and institutions in the Republic of Czechoslovakia: to report generally on these matters and in particular to consider and report whether the conduct of the hon. member was contrary to the usage or derogatory to the dignity of the house or inconsistent with the standards which parliament is entitled to expect from its members.

The prime minister and the house made no charge in this motion. They asked that the circumstances surrounding these transactions, claims against the government of and institutions in the Republic of Czechoslovakia and Mr. Boothby's relationship to them, should be investigated by a committee without prejudicing the issue, as the prime minister said at that time. Surely, Mr. Speaker, there is a very close relationship indeed between that situation and the one we are concerned with in this motion.

Let me conclude by discussing this particular situation in the terms which the Minister of Justice challenged me to do a few moments ago when he said that I did not have—I forget the word—

Some hon. Members: Fortitude.

Mr. Pearson: —the fortitude to bring forward specific statements in specific cases from this judgment on which to base our motion.

Mr. Fulton: Oh, no.

Mr. Pearson: I will go into that now.

Mr. Fleming (Eglinton): Your charges.

Mr. Fulton: On a point of order, Mr. Speaker—

Mr. Pickersgill: There cannot be a point of order on a point of order.

Mr. Chevrier: You are out of order.

Mr. Fulton: On a question of privilege, I did not say what the hon. gentleman alleges. What I said was that he did not have the courage, the fortitude, to bring forward specific allegations and base charges on them specifying what improper conduct he is complaining of.

Mr. Pearson: Exactly; well, Mr. Speaker, I have been spending about half an hour showing the Minister of Justice and other members of the house that contrary to what he has said, motions of this kind do not require specific charges. There are a great many cases in which specific charges are not made for many reasons. I have just cited one in the British House of Commons under the leadership of Sir Winston Churchill against a member of his own ministry which did not include charges. Does the Minister of Justice suggest that Sir Winston Churchill was lacking in fortitude in taking the course he took?

Mr. Fulton: My reference was to you, not to Sir Winston Churchill.

Mr. Pearson: No doubt if the Minister of Justice had been in the British House of Commons he might have made that charge, because he certainly has verbal fortitude.

In this particular matter we are dealing with a case which in one respect at least is unique and different from all these cases which I have cited and many others which could have been cited. We have laid the foundation for our motion upon grounds to be found in a document issued over the signature of the president of the Exchequer Court of Canada, a document which was finally tabled by the Prime Minister last Monday, the day we submitted our motion. The responsibility for statements in this document rests upon the president of the exchequer court.

Mr. Fleming (Eglinton): You do not take the responsibility?

Mr. Pearson: Of course it rests on the president of the exchequer court. These are findings of the exchequer court which we are entitled to take into consideration in this House of Commons when they refer to a member of parliament. Does the Minister of Finance deny that?

Mr. Fleming (Eglinton): May I ask a question of the Leader of the Opposition? Is the Leader of the Opposition going to take any personal responsibility, as a member of this house, for what he is about to do?

Mr. Pearson: Indeed I do, Mr. Speaker. As a member of the opposition I take responsibility for submitting this motion to the house, and no member of the government will take any responsibility for making any inquiry into this matter. What responsibility does the Prime Minister take? He says, washing his hands of the whole thing—

Mr. Speaker: Order. The Leader of the Opposition is getting to the point now in which I am particularly interested, that is his discussion of the statements in the judgment as they relate to the privileges of the house.

Mr. Pearson: Yes, but I felt it necessary to answer the Minister of Finance who found it necessary to interrupt.

Mr. Martin (Essex East): These interruptions should not be permitted.

Mr. Pearson: Mr. Speaker, in answer to a question by the Minister of Finance I was saying that I take responsibility by putting my name to the motion; but no member of the government including the Prime Minister, is willing to take any responsibility for making any inquiry into this matter. The Prime Minister has gone so far as to say that there is nothing into which to inquire. The Prime Minister went even further. He said there were no contradictions even into which to inquire.

This is the point to which I am coming now, and I know you will be interested in listening to what I have to say. I should like to assist you in this matter by mentioning certain specific grounds which in our opinion justify a committee of inquiry. I shall mention certain questions arising out of these findings of the exchequer court which we think should be answered or to which a committee of this house should try to find the answers. All these questions, Mr. Speaker, are mentioned by me only because they are included or are implicit in the judgment of the exchequer court. This is the basis upon which we bring them before the House of Commons, because they have appeared before the public.

The first question is, is it proper for a member of parliament to bring pressure upon a government department to appoint an independent appraiser to value property,

some of which has already been valued approximately six times according to the Minister of Transport, and with which valuations the Department of Transport, according to the evidence before the courts, was satisfied? Another question arising out of this judgment is, is that course and its acceptance by the minister unfair to those 180 property owners who had already settled and who had no opportunity of participating in the new and upward valuation? Also is it proper for a member of parliament to seek to bind the crown by agreement in advance to accept a valuation? Is that not a question which affects the privileges of parliament?

The hon. member for Peel, Mr. Speaker, testified under oath that agreements had been reached to accept the valuation of an independent appraiser, Mr. Clare. Being satisfied in his own mind that the crown had been successfully bound in advance to accept the valuation, was it then proper for the member to secure the appointment as such independent appraiser one with a special relationship to the member, such as Mr. Clare admittedly had? The hon. member for Peel, Mr. Speaker, stated under oath that the minister had accepted his proposal that the crown be bound to accept the Clare valuation. The minister told us he had made no such agreement. There is one contradiction to which I call the attention of the Prime Minister. This committee to which we suggest this matter should be sent is justified in our view, if only to clear up this grave contradiction and to set out the facts.

The word "agreement" is a matter for further clarification. Relying on the oath of the hon. member for Peel, are we not entitled to find out whether the acceptance of a proposal means, in the mind of the Minister of Transport, something entirely different from making an agreement? Is this contradiction only a matter of semantics? If it is only a matter of semantics, then what is the responsibility of the minister in this matter? If, as the Minister of Transport states, no such proposal was accepted in any form, was the hon. member for Peel acting properly in representing to his constituents and later to the court that his proposal had been accepted? These are questions which surely should be cleared up.

Here is another question arising out of a statement in the judgment of the court at page 9:

> On December 9, 1957, Mr. Pallett sent Mr. Clare's valuation reports to the minister's executive assistant and they were then placed before the minister.

Is this regular procedure? Is it proper for a member of parliament to receive reports of this kind from an independent valuator? Did Mr. Clare review his reports in detail with the hon. member before later transmitting them, not to a departmental officer but to the minister's executive assistant, who is a political officer?

Now, turning to page 16 of the judgment, at the bottom of that page there is this statement by the then presiding judge:

> I have no hesitation in rejecting Mr. Clare's valuation. I do not believe he was a free and independent appraiser.

Then the president of the court proceeded to give reasons for this conclusion. This surely is where parliamentary privilege enters again. These are the reasons given by the president of the court for the statement I have just quoted. He said:

> He admitted—

That is, Mr. Clare.

> —that Mr. Pallett, who had recommended his appointment, said that he wanted a good price and on his cross-examination, after long hesitation, he admitted that Mr. Pallett had instructed him to put as generous a valuation as possible on the properties and he told Mr. A. A. Speer, the Department of Transport's district land agent, that it was difficult for him to carry out his instructions.

Later in this house, Mr. Speaker, the Minister of Transport said that the hon. member for Peel was not interested in securing any more than fair and equitable treatment for his constituents. Well, there is a contradiction between this statement and also the statement the member himself made outside the house, and this finding of the court.

The next question, Mr. Speaker, is at the heart of the matter. Were any instructions given by the member for Peel the cause of the evaluator losing his freedom and independence; because the president of the court said he could not consider him as a free and independent appraiser? Did those instructions influence the evaluator in reaching land values which were erroneous and excessive? Were they the cause of his reaching property values that were out of line with the other property values and settlements in Malton? Were they the cause of Mr. Clare reaching valuations which, if accepted, as the hon. member for Peel expected them to be accepted because he felt an agreement had been made that they should be accepted, would have placed an extra burden on the treasury?

Surely, Mr. Speaker, the House of Commons is entitled to inquire into these questions which concern the propriety of the conduct of one of its members and which are raised in a judgment of the Exchequer Court of Canada? We think the government should have asked for this inquiry days ago. All we on this side of the house are asking for is that there should be an inquiry into these observations and conclusions in the judgment of the exchequer court which affect a member

of parliament, so this whole question can be cleared up and a report made by that committee to the House of Commons. That is all we are asking for in the motion, and I suggest we are entitled, Mr. Speaker, to ask for this inquiry and to make this motion which I respectfully submit to you is quite in order.

Mr. Speaker: I would like to ask the Leader of the Opposition one further question about the last part of his submission that privileges of the house are involved. First of all, is he founding his motion now on matters extraneous to the judgment? The hon. member has referred to statements made outside, and it may have a bearing on the case; or is he asking the committee to deal solely with the judgment?

Mr. Pearson: We are founding our motion on the statements made in the judgment of the exchequer court, and on any comments made on those statements both in the House of Commons and outside the House of Commons.

Mr. Speaker: I had not realized that, and of course that would have a bearing. I had understood the hon. member to say at first that he was basing his motion upon what appeared in the judgment. The other question I wish to ask the Leader of the Opposition is this. Assuming that the observations of the learned judge are substantiated on an inquiry, then what specific misconduct does the hon. member say is involved which affects the house?

Mr. Pearson: On that point, Mr. Speaker, I think it would be quite improper for me to attempt to answer such a question now.

Some hon. Members: Oh, oh.

Mr. Pearson: I have put this question in the form of a motion and called attention to certain statements made in the judgment. I suggest that it is the responsibility of the committee of this house on privileges and elections to go into this matter and decide whether any misconduct has been committed, and if so what it was. I submit that it is not my responsibility in moving this motion to answer that question at this time.

Mr. Churchill: It is brinkmanship, that is all.

Mr. Speaker: I will not pursue the matter further, but—

Mr. Pearson: If I may be permitted, may I ask, when Your Honour has considered it, whether it is proper for me to answer this question in the house at this time?

Mr. Speaker: The reason I asked for the advice of the house—and I have probably taken the wrong course, because we have had the debate which I thought might have been out of order—was to be advised if the select committee made the findings which are suggested, would any question of privilege of the house be involved as a result? If that were not the case then I would not consider the motion one of privilege.

Mr. Pearson: Mr. Speaker, I think I must intervene to say that I have suggested no findings that a committee might make, of any kind. I suggested certain questions which the committee could look into to find the answers, but surely they will decide what report to make.

Mr. Speaker: Let me put it more specifically. I am really trying to shorten the matter and dispose of it. Assuming that there was no discrepancy in the evidence as stated, what privilege of the house is involved? Of course if a member were convicted of perjury that might be a matter of privilege of the house; but I take it there is nothing in the judgment to suggest anything other than a conflict in testimony.

Then there is the question of the valuator. Does the appointment of the valuator raise a responsibility of the department or of the member? This motion is phrased as a question of privilege relating to the conduct of the member for Peel.

Mr. Fulton: Mr. Speaker, may I rise on a question of privilege. The Leader of the Opposition has attacked my accuracy and called into question the statements I have made with regard to the motions which have previously been made when a matter such as this has been referred to a committee. It is my understanding that a member clearing up inaccuracies is bound to do so at once. I understand that other members wish to speak, and I just wish to rise at this point merely to say that I regard it as necessary, and I believe I have the right before this discussion closes, to set the record straight and place on the record the motions as they appear in the *Journals*, and correct the inaccuracies of the Leader of the Opposition.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, first of all I must say that, as everyone knows, I am a sort of plain and simple person, and I lay no claim to be a student of the niceties and technicalities of law or parliamentary law and procedure. If I have a problem in life, Mr. Speaker, I usually try to approach it from a common sense point of view.

However, I have listened very carefully to the debate this morning, in particular to the case made by the Leader of the Opposition, and I think he has made a very good case in

support of his claim that his motion is in order. I do not pretend to be an expert in that respect, Mr. Speaker, but after listening to both sides of this argument today and on previous days, I say—and I speak for this group on this occasion—that regardless of the technicalities of parliamentary procedure in our opinion the Leader of the Opposition is on the soundest moral grounds in asking for a parliamentary inquiry into this matter.

I listened with particular interest, Mr. Speaker, to the statements made by the Minister of Justice. I always listen with interest to any statement or speech the minister may make, but I thought today that his argument was not quite on the high level it usually is.

Mr. Speaker: I do not think the hon. member for Kootenay West was involved in the former argument which strayed off the point of order, but I would appreciate it if the hon. member would speak to the point of order so this matter does not extend into an indefinite debate. The point of order was whether there is a question of the privilege of this house before us, and, if so, what does that involve.

Mr. Herridge: I bow to your ruling, but Your Honour does on this occasion fence me in more than some of the other speakers. I have suffered that experience in the past. But I do wish to say, dealing with the argument put forward by the Minister of Justice, that I was a bit shocked to hear him refer on one occasion to a statement from judgment of the exchequer court as "rumour".

Mr. Fulton: I said no such thing.

An hon. Member: You did.

Mr. Herridge: Such a statement, with reference to a judgment coming from the Queen's bench, would tend to undermine the prestige of the courts of this country.

Mr. Fulton: On a question of privilege, the hon. gentleman has of course misstated what I said. I said no such thing. The rumour to which I was referring was the rumour raised by the Leader of the Opposition.

Mr. Herridge: We can read the record tomorrow and see who is correct. I want to say this on behalf of this group. This group believes that in fairness to the people of Canada who are taking an increasing interest in this case—and this is evidenced by the correspondence we are receiving, and the correspondence coming from the neighbourhood concerned—in fairness to the minister, and in fairness to the hon. member whom we have particularly mentioned, and in order to remove the miasma of suspicion, bewilderment and dissatisfaction, and to establish the truth, the Prime Minister should agree to the referring of this question to a committee as the Leader of the Opposition suggests.

Right Hon. J. G. Diefenbaker (Prime Minister): I am going to direct my attention particularly to the question of privilege, and to the remarks made by the Leader of the Opposition with respect to other occasions in the House of Commons when such motions have been made.

The hon. gentleman referred to the four motions to which I made earlier reference, and by a play on words endeavoured to lead the house to understand that no charge had been made as a preliminary to the motion in question. In every case, and I reiterate that, there had been charges made of wrongdoing or personal aggrandisement or actions which involved moral turpitude in a financial way, and in every case which was cited, from the beginning to the end, the Leader of the Opposition endeavoured to delude the House of Commons into believing that there had in fact been no charges made in the various cases.

He ended up by dealing with the Boothby case in the United Kingdom. That was the case of a minister of the crown—and I speak now from recollection—who allegedly had engaged in certain transactions through his company in a manner which was believed to be derogatory to the privileges and rights of members of parliament. The prime minister of that day, Mr. Winston Churchill, believing on the face of the allegations made that there was such a degree of wrongdoing as to be incompatible with the position of a member of parliament, took the course he did. Every case to which I referred, and I repeat every case which has ever taken place in Canada when there has been a submission to a committee, has followed charges and allegations made in this house.

Now what is the attitude of the Leader of the Opposition? Insinuation; inference. But hon. members will have noticed how, when he is asked what is the nature of the allegations of wrongdoing, he adopts the clothing of injured innocence. "Don't place me in such a predicament", he says. If the Leader of the Opposition—and I challenge him now—will make any allegation of wrongdoing that is in any way incompatible with the position of a member of parliament, I will ask this house immediately to support the setting up of a committee.

Mr. Pickersgill: Another Diefenbaker diversion.

Mr. Diefenbaker: I know his defence, Mr. Speaker. He knows there is none. He admitted that he agreed with me when the matter first came up. I had the *Hansard*

here a moment ago. When the matter first came up on Friday June 5 his words were, in effect, that he agreed with the viewpoint that I expressed on that occasion—

Mr. Pearson: On a question of privilege, I made no such statement. Perhaps the Prime Minister had better read what I said. I said I had no quarrel with what the Prime Minister said at that time, that he would look into the matter and report back. And that is all. Now read it.

Mr. Fleming (Eglinton): What a retreat.

Mr. Diefenbaker: That, indeed, is a retreat. The hon. gentleman said nothing like that the other day when I mentioned it.

Mr. Speaker: I am sorry to interrupt the Prime Minister, but it is one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Speaker: The Prime Minister had the floor when we adjourned and I believe the Minister of Justice wishes to intervene again shortly to reply to some argument that was made and I dare say some other members may wish to intervene, but may I say that we are discussing a point of order. Obviously it is an important point or I would not have felt the necessity of bringing it so fully before the house, but I hope that we can deal with the point of order and keep the discussion to that and perhaps not make it too extended.

Mr. Diefenbaker: Mr. Speaker, I shall certainly endeavour to keep within the ambit and circumference of your suggestions. At the moment of adjournment, as I recall it, I had made it very clear that in every case to which I referred on an earlier occasion and which I understand the Minister of Justice will refer to because of the statements made by the Leader of the Opposition, whatever the wording of the motion had been there had always been a charge. I made that abundantly clear and I re-emphasize now that if the Leader of the Opposition or any other hon. member will make a charge in this connection there will not be one moment's delay in asking for the convening of the committee on privileges and elections.

I do not want to enter into a controversy with the Leader of the Opposition but just as I was concluding at the time of adjournment I referred to the fact that there was no charge made by the Leader of the Opposition. I leave those who are inclined to reason to determine whether or not I misrepresented the situation when I made the following statement as reported at page 4361 of *Hansard* of Friday, June 5:

> —I think I should say at this time that in so far as any reference to any hon. member in this house is concerned, and in particular to the hon. member for Peel, the integrity and honesty of purpose of that hon. member leaves no question in my mind.

Let me quote exactly what the Leader of the Opposition said as reported on the same page:

> Mr. Speaker, may I ask a supplementary question. In view of statements made in the judgment—and I am not quarrelling in any way with what the Prime Minister has said—has the Prime Minister considered referring this matter to the appropriate standing committee of the house so that it may be given the fullest and most impartial examination?

Mr. Pearson: Mr. Speaker, on a question of privilege, the Prime Minister has left out a very important sentence which he should have read when quoting his remarks. Before saying the words he has read into the record the Prime Minister, as reported at page 4361, said:

> It is my purpose to examine the judgment and the surrounding circumstances.

That sentence appeared in the context immediately prior to the sentence the Prime Minister did read.

Mr. Diefenbaker: Mr. Speaker, I know that *Hansard* has no conscience and is never able to alter itself after the events. I would point out that on Monday, June 8, as reported at page 4409 of *Hansard*, I referred to that statement and at the top of the page I am reported as having used these words to which the Leader of the Opposition raised no objection. His conscience had not started to operate until the subsequent import became known to the hon. gentleman. Let me read what I said as reported at the top of page 4409:

> I wish to thank the Leader of the Opposition for the support he gave me in this regard—

I was referring to the integrity of the hon. member for Peel. I continue:

> —when he said:

I then read into the record the words of the Leader of the Opposition to which reference has already been made, which words are reported at page 4361 of *Hansard*. Let me place them on the record again:

> Mr. Speaker, may I ask a supplementary question. In view of statements made in the judgment—and I am not quarrelling in any way with what the Prime Minister has said—has the Prime Minister considered referring this matter to the appropriate standing committee of the house so that it may be given the fullest and most impartial examination?

I then went on to say:

I repeat that I very much appreciated the attitude taken by the Leader of the Opposition in entirely supporting me when I said that the honesty and integrity of the hon. member left no question in my mind.

Mr. Speaker, there was not one word and not a hint or suggestion to the effect that I misrepresented the Leader of the Opposition.

Mr. Pearson: Mr. Speaker, I rise on a question of privilege again. The Prime Minister has misrepresented what I said because immediately after the Prime Minister sat down I corrected that statement and if he will refer to page 4410 of *Hansard* he will find out how I did it.

Mr. Diefenbaker: Mr. Speaker, I shall proceed to read it because I know how the hon. gentleman feels. At page 4410 of *Hansard* the hon. gentleman is reported as having said:

Mr. Speaker, in view of the Prime Minister's reply and particularly in view of his reference to myself perhaps I might be permitted to make an observation. It is quite true, as the Prime Minister has said, that I stated in the house on Friday that I had no quarrel with what the Prime Minister said on that occasion. Of course I would have no occasion either to quarrel with or support any statement the Prime Minister made on that occasion, because it was a preliminary statement pending the examination which at that time he promised to make.

And then, these were his next words:

Naturally I am glad to confirm what I said on that preliminary occasion.

Some hon. Members: Oh, oh.

Mr. Pearson: Mr. Speaker, will the Prime Minister not read the rest of it? I urge him to read the full paragraph.

Mr. Diefenbaker: Yes, I will read it and gladly proceed to the end because this type of equivocation—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —in which the hon. gentleman has indulged this morning and in this resolution needs to be clearly brought to the attention of the house.

Mr. McIlraith: Why not follow the record then?

Mr. Diefenbaker: The hon. gentleman went on to say:

We on this side will now study the Prime Minister's very important statement today. If that statement seems to require further discussion in the house no doubt there will be an opportunity later to refer to it.

Mr. Pearson: Go on. Read the next paragraph.

Mr. Diefenbaker: Oh, I will. No amount of twisting and turning can get the hon. gentleman out of the position in which he has placed himself today when he went back on the statements he had made earlier. I read on:

I should like to ask the Prime Minister whether he does not agree from a study of the judgment—and I had not an opportunity of making that study last Friday—that there are contradictions between statements in this judgment about a member of parliament and statements made outside the house on the same matter by the same hon. member, contradictions which in fairness to all concerned should be cleared up?

Nothing that has been said by the hon. gentleman today derogates from the fact that on two unchallengeable occasions the hon. gentleman unequivocally admitted the honesty and integrity of the hon. member for Peel.

Mr. Pickersgill: More diversion.

Mr. Diefenbaker: Then, the hon. gentleman equivocated on the question that the judgment was not available until Monday. The judgment was in his hands. He was quoting from it on Thursday or Friday when the estimates of the Minister of Transport (Mr. Hees) were before the house. They were quoting from it; they were excerpting it. All of this alteration of the point of view, Mr. Speaker, simply comes back to one thing. They do not want to say, they dare not suggest, that the honesty and integrity of the hon. member for Peel are challengeable, and that was accepted by the Leader of the Opposition. On the other hand they lacked that something that every leader of the house from 1877 to 1943 demanded as the basis in respect of which such a motion would be permitted to be moved and considered by a committee. No amount of denial of that will meet the situation. Whatever the wording of the motion, in every case there had been charges made.

The hon. gentleman says he cannot be challenged and placed in the position where he would make a charge. No, sit back; make your indictment by innuendo, make your statements by a suggestion. That is not what Mr. Mackenzie King said was the proper course to follow. In the days when Mackenzie King and Arthur Meighen were in the house that was not the course accepted as the course of parliamentary responsibility.

During the noon hour I looked up the first case I want to refer to, which is that of Mr. Murdock of the Home Bank. I refer to *Hansard* of May 22, 1924. Mr. Porter, the then member for West Hastings,—

Mr. Pickersgill: What page?

Mr. Diefenbaker: —brought this matter before the house. He referred to the press alleging that certain wrongdoing had been committed by the Hon. Mr. Murdock who was subsequently cleared.

Mr. Martin (Essex East): What page?

Mr. Diefenbaker: Page 2402. It was discussed at some length. He went into detail and finally moved the motion, which is found at page 2405. He took the course—not the course of innuendo, insinuation and inference—that members have taken in every generation in this parliament. He made a charge, and this is the motion he made:

> That E. Guss Porter, a member representing the electoral riding of West Hastings, in this house, having declared from his seat in the house, that he is credibly informed and that he believes he is able to establish by satisfactory evidence that:
>
> The Honourable James Murdock, Minister of Labour, did withdraw from the Home Bank, at its Ottawa branch, on the 15th day of August, 1923, two days before such bank's failure, thousands of dollars on deposit therein, to his credit, using certain information he had received as such minister, of the likely immediate failure of said bank, and had received advantage and profit to himself to the extent of such withdrawal, contrary to his obligations as such minister, and in derogation of his office and the honour, dignity and traditions of parliament:
>
> That it be referred to the select standing committee on privileges and elections of this house to inquire fully into the said allegations with power to send for persons, papers and records, to examine witnesses under oath or affirmation, and that the said committee do report in full the evidence taken before them, and all other proceedings on the reference, and the result of their inquiries to this house for such action thereon as the house may determine.

I want to make it perfectly clear that the committee absolved him. During the course of the discussion, at page 2408 of *Hansard*, Mr. Meighen set for the rule, the same rule as I will refer to in a moment, which was enunciated by Mr. Mackenzie King in this house during the days when I was a member. Mr. Meighen said:

> On this occasion the proper course undoubtedly has been pursued by the hon. member for West Hastings (Mr. Porter). He has made allegations of conduct against a minister of the crown, conduct inconsistent with the traditions and honour of parliament, conduct designated as improper in every case where similar questions have arisen in this or in the British house. He has taken the full responsibility, and in a speech temperate in tone and very fair in every respect has laid his charges and made his motion. The motion is the right motion. The privileges and elections committee historically is the committee which always deals with any contested questions affecting the privileges of parliament. There has never been a case in our history where, a charge being formally laid, the full responsibility being taken and a reference to this committee asked for, such a request or such a resolution has been negatived.

I repeat that if either the hon. gentleman or anyone associated with him will take that responsibility he will not have to wait hours, but within minutes provision will be made for the convening of that committee and an opportunity given to have the charge proceeded with. Mr. Meighen continued at page 2410 of *Hansard*:

> The motion in your hands, Mr. Speaker, embodies the proper procedure, and when charges are formally laid the committee on privileges and elections is the proper tribunal.

The motion was immediately agreed to unanimously by the house. Mr. Mackenzie King was the prime minister at that time. In no way to be challenged is the fact that this course is not only in keeping with the decorum of our traditions of parliament but it is the course that has always been followed. Arising out of this, during the noon hour I recalled a case that occurred during the days of the war when Mr. Liguori Lacombe, a member of the house, made some statements. He said, as reported at page 4175 of *Hansard* of June 29, 1943:

> We have in the government three new millionaires since the declaration of war. We will denounce them at the proper time and place. Fortunes are being built up.

Now, that carried with it, of course, the suggestion that there was on the part of one or more members of Mr. King's administration ministers who were, at least by reason of their advantageous position, making fortunes. There was no basis for that, but that was the statement made by Mr. Liguori Lacombe. At page 4073 of *Hansard* Mr. King said this:

> I submit, Mr. Speaker, that the hon. member should be obliged either to withdraw the statement completely or else to convert it into a specific charge to be investigated in the usual manner, and the consequences of the investigation also to be followed up in the usual manner.

That is exactly what I said the other day. In this house we cannot make charges against one another. We can, in the course of debate say those things that sometimes we regret but, as Mr. King says, charges should be made in the usual manner. He asked Mr. Lacombe to make the charges specific. If charges are made we will then have the necessary machinery set in motion with a view to assuring fairness in the conclusion. At page 4176 of *Hansard* the Speaker said this, in dealing with the privileges of the house:

> I wish to say that the hon. member for Laval-Two Mountains has made a grave accusation against three members of the government, so grave that the implied and, it seems to me, the only meaning which can be drawn from the statement is that these three unnamed members are using their position to accumulate fortunes. Although unnamed, as the statement now stands, all and every member of the government stand accused.

Then he goes on to point out how serious this is, and he says:

> The Prime Minister has challenged the statement and has asked that the hon. member should be obliged either to withdraw the statement completely or else to convert it into a specific charge to be investigated in the usual manner.

Those are the two latest cases. In every respect these cases bear out the interpretation I gave in respect of the four cases I named last week. That is the course of conduct that the experience of several hundred years of parliamentary life has made necessary. Otherwise all you would have to do would be to produce a shilly-shally motion such as this wherein nobody takes a stand on anything and wherein the Leader of the Opposition, instead of saying "I say that", says that a document, a judgment of a court in a case, affirms certain matters. If that were the basis, Mr. Speaker, upon which members could make charges in this house then none of us would be safe because we would always be in the position of having placed before the house a suggestion made outside the house, a judgment of a court, if you will, wherein there is no evidence of wrongdoing within the meaning of wrongdoing as established throughout the years as a basis for submission to such a committee.

I am going to say no more than this, Mr. Speaker. I will at all times, regardless of the personality of the individual in the house, try to uphold the dignity of the house and of parliament in the tradition of Mackenzie King, Mr. Meighen and all the others who were prime ministers throughout the years. Mr. St. Laurent did not have a case such as this to deal with.

Mr. Pearson: The C. D. Howe charges.

Mr. Diefenbaker: I will uphold the dignity of the house and of parliament in order to assure—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Let me say this to hon. gentlemen opposite, and the Leader of the Opposition is one of those who will know what I mean. We shall not permit, we shall not allow, in our country that something to occur which brought about devastating effects on a responsible government in another country whereby individuals were tried by television, whereby evidence was introduced by innuendo and hearsay.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I say this, that it ill becomes anyone in the house to bring forward a shadow of a motion that in no way offers any proof and behind which the mover does not stand. I will do my utmost to protect the rights of parliament. It is one of the glories of the Canadian parliament that there are few cases in our history where there has been wrongdoing, but where there is wrongdoing it is the responsibility of the prime minister and all members of the house to do their part to see that it is punished. Here we have but a piece of paper containing a motion ingeniously contrived in order to sow suspicion. The hon. gentleman moving the motion will not take his stand behind the truth of the allegations and the alleged wrongdoing of the hon. member for Peel. I say this. I hope I shall never allow any hon. member to be struck in his honour and integrity by a motion such as this, a motion of suspicion fortified only by questions, with the mover holding the high and responsible position of Leader of the Opposition refusing to accept his personal responsibility to make a charge on the basis of his opinion and belief with respect to the alleged findings of wrongdoing by a judge.

Hon. Paul Martin (Essex East): Mr. Speaker—

An hon. Member: Take the hide off him, Paul.

Some hon. Members: Oh, oh.

An hon. Member: What a hope.

Mr. Martin (Essex East): Mr. Speaker, I am sure that all of us in the house are seized with the solemnity of this particular proceeding. It is only correct that we should seek to address ourselves to the matter before the house in the spirit of seeking to preserve the strength of the traditions and practices of this house, and to recognize, no matter what position we take on this matter, that this is the only consideration that should motivate any of us. I suggest to the Prime Minister, (Mr. Diefenbaker), understanding as I do the difficult position that he as head of the government and Prime Minister has in a matter of this sort, that I do not think it is unfair to indicate that if, when this matter was first raised, he had sought to act not as leader of his party but as Prime Minister of the country this matter would not, I am sure, still be before us and under discussion.

I suggest to the Prime Minister that if he will look at the records of the proceedings of this house and in the United Kingdom, where matters of this sort have fortunately rarely presented themselves, it will be found in practically every instance that the prime minister—there is no better example than Sir Robert Borden—took a position of objectivity, one in which he sought to picture himself as adviser to the house and not as

counsel for any individual particularly involved. From the beginning of these proceedings the Prime Minister, possibly habituated by his great experience in the criminal courts, has sought to defend instead of directing the house in the course which he thought it should pursue. Because the Prime Minister has taken that course he has unwittingly, I think, been the cause of these proceedings being protracted and having reached the stage in which we now are. I suggest to him that this matter could have been resolved effectively if the hon. member involved had been encouraged to make a statement in the house, a statement which I think would have been readily accepted, at any rate, a statement which under our rules would warrant acceptance in the face of possible argument to the contrary.

But no; that is not the position taken by the Prime Minister. He has asserted that the Leader of the Opposition (Mr. Pearson) seeks to embark on an expedition to malign and to destroy the character and the integrity of an hon. member of this house. The Prime Minister has not done himself the kind of justice which I think he would want when he charged the Leader of the Opposition with having ulterior motives and when he charged that the Leader of the Opposition did not have the courage to address himself to the matter by making a specific charge. The only one who has mentioned repeatedly the making of a charge has been the Prime Minister.

The Leader of the Opposition quite properly has said: "This is not a question involving a charge; I am making no charge. I am simply pointing out that whatever charge exists is to be found embodied in a judgment of the president of the Exchequer Court of Canada." Why the Prime Minister—experienced lawyer that he is—should persist in seeking to encourage the laying of a charge I find it difficult to appreciate. Certainly I do not think it lies within the power of the Prime Minister in this context to suggest that this was the motive of the Leader of the Opposition or that a charge should be made.

The Prime Minister referred to various cases, particularly the Home Bank case involving a minister of the crown, and the Lacombe case. He said that those two cases, as do others, indicate that there was a reference to the committee on privileges and elections following the making of a charge. Let us examine these cases once again because the Prime Minister has not properly interpreted them.

Mr. Diefenbaker: As far as the Lacombe case in concerned, I never said it went to a committee. Mr. Lacombe withdrew the motion.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): In the Lacombe case the circumstances were altogether different. What was in issue in the Lacombe case was an alleged statement of one hon. member of this house against a minister of the crown. That is not what is involved here. As to the Home Bank case, that too was based on a charge made by an hon. member of this house; likewise in the Anglin case, the Foster case, the Hooper case and in other cases which one could refer to. The question in those cases did not involve a charge made by anyone. There was no charge made in the Foster case. My hon. friend distinguishes those cases from the case confronting us by saying that while it is true that in some of these cases no charge was involved in the specific motion—and I think I interpret the Prime Minister correctly; he nods his head now—in the subsequent discussion a charge was levelled of one kind or another.

Mr. Diefenbaker: In the previous discussion?

Mr. Martin (Essex East): In the previous discussion. All right. How does that affect those cases? The decision in those cases was not based on the discussion. The vote was on the motion. Let us look at these motions. Here is the motion in the Foster case. I have before me the *Journals* of the House of Commons for 1915, page 134:

> On motion of Mr. Maclean, seconded by Mr. Carvell,
>
> Ordered, That sessional papers numbered 112 of the present session of parliament and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of government laid upon the table of the house, in respect to expenditures under the War Appropriations Act, be referred to the select standing committee on public accounts.

Where is the charge there, Mr. Speaker? There is no charge whatsoever any more than there is involved in the motion now before the house. Then let us consider the Anglin case. Obviously the Prime Minister has not carefully analysed these cases. I have before me the *Journals* of 1877, volume II where at page 236 we find the following:

> On motion of Mr. Casey, seconded by Mr. McDougall (Renfrew),
>
> Resolved, That the attention of this house having been called to the reports, returns, and vouchers laid upon the table, touching the payment of public monies to the Honourable T. W. Anglin, member for the electoral district of Gloucester, for printing and stationery for the Post Office Department,—

Mr. Fulton: That is a charge.

Mr. Martin (Essex East): If the Minister of Justice will just contain himself and listen instead of interrupting, I should be obliged. The quotation continues:

> —the said papers be referred to the select standing committee on privileges and elections, and they

be directed to enquire into the facts, to search for precedents, and to report the result of their enquiry; and whether the said Honourable T. W. Anglin has vacated his seat.

There was no charge made in that motion.

Mr. Pickersgill: It was a recital of the facts.

Mr. Martin (Essex East): Yes, it was a recital of the facts, just as is being done in the case before us. But let us assume that there are some cases in which there was a charge, and there are such cases. My hon. friend has referred to statements made in this house by Sir Wilfrid Laurier. That is an argument, but it is not an argument in answer to the contention made by the Leader of the Opposition. The very fact that we have now been engaged for two and a half hours in a discussion of this matter surely establishes the correctness and the validity of the position taken by the Leader of the Opposition.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): There is obviously a question of privilege involved.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): My hon. friends laugh, but laughter is no substitute for argument. We were reminded by Mr. Speaker himself this morning of the principle applicable to this very point. He directed our attention to the words of Sir Thomas Erskine May in May's *Parliamentary Practice* at page 382, 16th edition, and these words bear repetition:

It has often been laid down that the Speaker's function in ruling on a breach of privilege is limited to deciding the formal question whether the case conforms with the conditions which alone entitle it to take precedence of the notices of motions and orders of the day standing in the order paper of public business; and does not extend to deciding the question of substance, whether a breach of privilege has in fact been committed—a question which can only be decided by the house itself. The conditions with which a claim of privilege must comply in order to be accorded precedence are those mentioned above (1) a prima facie case of breach of privilege must be made out—

Does any hon. member seriously argue that that has not been done?

Mr. Fulton: Yes.

Mr. Martin (Essex East): The Minister of Justice says yes. I say to the Minister of Justice that, as Minister of Justice, he should be the last one in this house to repudiate a finding of one of Her Majesty's judges.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): In a matter of this sort I think hon. gentlemen will want to hear all sides express their point of order without the use by them of their numerical strength in this house. The Prime Minister referred to this same judgment as an alleged finding. No

Mr. Diefenbaker: An alleged finding?

Mr. Martin (Essex East): The Prime Minister's words are there to be scrutinized and observed by everyone. The Prime Minister said that. While this might be understandable in the mouth of a lay prime minister, it certainly is not proper for the Prime Minister, a distinguished advocate in the criminal courts of our country, to refer to a finding of a judge as an alleged finding. Whether we agree with the decisions of our courts or not, once those decisions are made then unless appealed they must not be referred to in the language used by the Prime Minister as "alleged findings".

A suggestion was made by the Minister of Justice (Mr. Fulton) which I did not think was worthy of him. After all, in a matter such as this he could easily have taken the position that a famous lord chancellor is said to have taken in the latter part of the nineteenth century, when he said that in a matter of this sort it was clearly the duty of the lord chancellor to associate himself with the Queen's first minister and give the house direction rather than act as a partisan on one side or the other.

That is not what the Minister of Justice did this morning. He indulged in a personal attack on the Leader of the Opposition. He accused him of lack of fortitude. He accused him of lack of courage. I suggest that one might say about the Leader of the Opposition that those are two characteristics which do not fit him. The reason for the course taken by the Leader of the Opposition was because in the face of this judgment—which stands, and unless answered there will continually be uncertainty on the part of members of this house and by the public—he thought the duty of the Prime Minister was to initiate proceedings in the matter. Because the Prime Minister did not do so he, as Leader of the Opposition and an officer of this house—and that is what the Leader of the Opposition is—felt that it was his duty objectively to bring this matter forward to the attention of the house in the way he has done. No one can say that his presentation today or on other occasions of this matter has in any way run counter to the highest standards that one would expect from one who occupies the post of Leader of the Opposition. He made no charges, that is true. That is his continuous answer to the Prime Minister who repeats, "Make charges". The Leader of the Opposition said, "We have no charges to make".

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): The Leader of the Opposition says that we have no charges to make. But what we do say is this.

Mr. Harkness: You only have insinuations.

Mr. Martin (Essex East): Why does my hon. friend, the Minister of Agriculture (Mr. Harkness) want to mar a fairly unimportant record of achievement by this further intervention? What the Leader of the Opposition has done is to say that there is a judgment of the president of the exchequer court which makes certain affirmations, and among those affirmations are:

(6) That Mr. Clare was not a free and independent appraiser;

(7) That according to Mr. Clare's own admission, Mr. Pallett instructed him to put as generous a valuation as possible on the properties and that Mr. Clare told Mr. A. A. Speer, the Department of Transport's district land agent, that it was difficult for him to carry out his instructions;

(8) That Mr. Clare's land valuations were quite erroneous and excessive and that his property valuations were out of line with other valuations and settlements made in the Malton area.

The Leader of the Opposition made no charges. Whatever charge is involved lies in this judgment of the president of the exchequer court. Does the Prime Minister say to us that parliament is free to ignore this finding of the exchequer court? Does the Prime Minister not agree that in fairness to the hon. member concerned—and I put it on that ground first, in fairness to him—and out of respect for the traditions of this house this judgment should not be allowed to stand without some answer being made on its merits by those who are in a position so to do? What other vehicle is there for such a presentation unless it is made in the committee proposed in the motion presented by the Leader of the Opposition? There is only one answer to this argument, and that is a statement by the hon. member involved himself.

Therefore, Mr. Speaker, there can be no doubt that the course taken by the Leader of the Opposition is in keeping with his duty as Leader of the Opposition and in keeping with our traditions in this house. They were honourable proceedings initiated by him. It would have been easily possible to suggest, as some outside have suggested, making political innuendos as the Prime Minister has said was being done in this case. But what innuendo was ever made? What fairer statement could be made than that which I have made supporting the statement already made by the Leader of the Opposition? No charge is being made by any member in this house. All we are calling the government's attention to, as well as the attention of all hon. members in this house, is a judgment of a court.

[Mr. Martin (Essex East).]

In the absence of an appeal from that judgment to a higher court is there any other course open, I suggest to the Prime Minister, than to recognize (a) that this is a question of privilege, and (b) that it should be referred to a committee so that it can be resolved in a manner satisfactory to all concerned?

I cannot understand the Prime Minister failing to take this course. The Prime Minister shakes his head. I suggest to him that if this matter is not regarded as a question of privilege, if this house declares that it is not a matter of privilege, if this house does not accept this motion and give the opportunity for a final settlement of this matter, there will always rest in all its power and sanctity a judgment of the court which reflects seriously upon the conduct and actions of one hon. member of this house. I say, then, that what ought to be done forthwith is for the Prime Minister to recognize that in this matter he does not speak as a leader of a party; he speaks as the Prime Minister in this house. He should give us a lead, a lead which will enable us to determine whether or not there is an answer to the findings made by the court, instead of resting upon the argument that all the precedents show that a charge must be made, when the documents before us clearly indicate that is not the case. I ask the Prime Minister to rise from his political moorings to recognize his responsibility to this house, and to give it the kind of direction and leadership which this parliament and this country I know will demand.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I rise at this stage primarily for the purpose of setting the record straight with respect to an erroneous statement made by the Leader of the Opposition (Mr. Pearson) this morning as to the pattern of previous motions of this sort. Mr. Speaker, I shall prove that the Leader of the Opposition has completely misstated the effect of those motions, as I shall show by reference to, I believe, every motion of this sort since confederation.

If the Leader of the Opposition has read, as he said he did, the full text of these motions, I am completely unable to understand how it was he could come before the house this morning and make the statement that he did make as to their effect. What were the statements with which the Leader of the Opposition was dealing when he said that motions of this kind did not necessitate the laying of charges? They were statements made by the Prime Minister and by myself to the effect that always, in motions of this sort, specific charges had been made, and that certainly they had been made before

the house would take into consideration a motion of this sort or refer it to a committee.

Let us look at the history of these motions. Here is what the Leader of the Opposition said about that statement as I took down his words this morning and made notes of them and if he believes I am misrepresenting them I shall be glad to be corrected. As I understood him this morning; he said that the Prime Minister's contention that a charge would be required, and the statement by myself that a charge must be embodied in the motion, and the Prime Minister's statement that there had to be an allegation of improper conduct whereby the member concerned had furthered his private interests, had no foundation whatsoever.

Let us look at the motions as they have been laid since confederation. The first is dated April 9, 1877 and is a charge against an hon. member of that day, the Hon. Mr. Anglin, to which reference has already been made. I may say that the Leader of the Opposition and members of his office have apparently taken all the English *Journals* out of the library—and I have only the French copies. I find the same situation applies with reference to several other volumes of the *Journals,* which hon. members opposite have been reading, or to which they referred, and, as I say, if they have read them I find it difficult to understand how they could have made the statements which they did make.

The motion, in this 1877 case, contains these words:

> That the attention of this house having been called to the reports, returns and affidavits laid on the table concerning the payment of public money to the Hon. Mr. Anglin . . . for printing and stationery for the Post Office Department, the said papers be sent to the standing committee on privileges and elections.

If that is not a specific allegation of the misuse of public money—

Some hon. Members: No, no.

Mr. Fulton: —I am unable to agree with hon. members opposite about the use of words.

Mr. Martin (Essex East): It is a statement of fact.

Mr. Fulton: The statement made is that the Hon. Mr. Anglin was paid public moneys for printing and stationery for the Post Office Department.

Mr. Pearson: A report was to that effect.

Mr. Fulton: Hon. gentlemen opposite may try to make all the refinements they wish, but I believe I have correctly stated the effect of that motion and it bears out what the Prime Minister said, namely that before any hon. member can ask this house to look into this matter or refer it to a committee there must be an allegation of improper use of public office for private benefit.

The next motion was in 1890, as reported at page 175 of the *Journals,* the Rykert case. I am not going to read the motion in detail. It is true that the motion as finally adopted was amended. But what did the hon. member who brought the matter before the house do? He adopted the proper course. He said that it appeared from certain documents and correspondence:

> That the said Rykert did make use of his position and influence as a member of this house, in the matter of the said limits, for his own pecuniary advantage; and that he did afterwards make a statement, from his place in this house, with regard to his connection with and the obtaining the said limits, entirely at variance with the facts, and calculated to mislead the house and the country.

I hope hon. gentlemen opposite are not going to argue that this was not a specific charge of improper conduct, and conduct for the personal advantage of the member concerned.

Mr. Pearson: It appeared in documents.

Mr. Fulton: It appeared in documents, yes, but the member making the motion that the committee be set up made the specific charges himself.

Mr. Pearson: And the motion was amended to take them out.

Mr. Fulton: In this particular case, yes. The motion was amended to take out the charges. But the charges had been before the house. Let us now look at all the other motions, because the Leader of the Opposition said he had read them all and that they did not support the statement made by the Prime Minister. We come to the McGreevy case and here again I point out that the member making the motion made a charge from his seat alleging specific evidence of specific improper conduct. Here is one of the allegations:

> That before tendering, and in order to secure the influence of the Hon. Thomas McGreevy, then and now a member of the parliament of Canada, and a member of the Quebec Harbour Board by appointment of the government, Larkin, Connolly and Company, took into partnership with themselves Robert H. McGreevy, a brother of the said Hon. Thomas McGreevy, giving him a 30 per cent interest in the firm, and this was with the knowledge and consent of the said Hon. Thomas McGreevy.

The next case was in 1894, and the allegation moved by Mr. Bruneau, contained the following:

> That the said Arthur Joseph Turcotte, while a member of this house, sometime in the year 1893 was interested in contracts and agreements with the Department of Marine and Fisheries for the government of Canada, on behalf of the crown, and large sums of public money of Canada were

paid under said contracts and were received by the said Arthur Joseph Turcotte, which said contracts were for the supply of groceries and similar goods for the use of the Department of Marine and Fisheries.

That motion contained an allegation, as in the case of the previous one which I read out. The next case in 1903, was the case of Mr. Loy, and again it was moved by the hon. member who made charges in the house specifically to the following effect:

That from the time the said George Loy handed his said property to Archambault up to the day of the sale of said property to the crown or government of Canada, he never ceased to be the proprietor of said property, and that at the time of the sale of said property, on the 20th January, 1903, said Robert Brice Johnston was merely acting for and on behalf of said Loy, who in said manner did indirectly sell his said property to the crown or government of Canada, in violation of Chapter II of the revised statutes of Canada 'An act respecting the Senate and House of Commons'.

The next case in 1911 is one to which I have already referred this morning. It is the motion against Mr. Lanctot, and it contained a definite allegation, and I quote:

That said goods were so fraudulently appropriated to, and said work so fraudulently done at the expense of the government of Canada, for the benefit of the said Adelard Lanctot, then and now a member of the house as aforesaid, with his knowledge, assent and approval, the said Adelard Lanctot abusively and fraudulently profiting at the public expense and to the public detriment, by his position as member of the house.

That motion, also containing a charge, was adopted by the House of Commons. Then we come to the Foster case in 1915 about which hon. gentlemen opposite have sought to make so much. Here, the motion was to refer a report to a committee. That is true, but the great distinction in this case was that there was no allegation sought to be made against a specified member, and there was no motion to refer the matter to the committee of privileges and elections. The matter did not arise as a breach of privilege at that time; it was a motion asking that certain public documents, being accounts of financial transactions, be sent to the public accounts committee. When the hon. gentleman finds himself on such extraordinarily weak grounds that he is driven to this case in order to attack the statement that in every motion of this kind a charge has been made, it clearly shows the weakness of his case as a whole. The motion in the Foster case is in no sense applicable to this situation.

Mr. Pickersgill: Mr. Speaker, would the hon. member permit a question about the Foster case?

Mr. Fulton: The final cases were in 1924—

[Mr. Fulton.]

Mr. Pickersgill: Would the hon. member permit a question about the Foster case? Would the Minister of Justice maintain that Mr. Maclean's motion was not a motion of privilege?

Mr. Fulton: Mr. Speaker, Mr. Maclean's motion speaks for itself.

Mr. Pickersgill: Exactly. He was a private member.

Mr. Fulton: Mr. Maclean's motion was to the effect that sessional papers numbered 122 and all other papers in relation thereto being copies of correspondence between the auditor general and the department of militia and other departments of government laid upon the table of the house in respect to expenditures under the War Appropriations Act be referred to the select standing committee on public accounts. In that motion, Mr. Speaker, there is not the slightest reference to the conduct of a member.

Mr. Pearson: He could not have made it except as a matter of privilege. He was a private member.

Mr. Fulton: What we have said is that if one wishes to attack the conduct of a member then the person making the motion must be specific with reference to the conduct he seeks to attack.

Coming down to the cases of 1924, there are two cases in that year. Again I only have available the French copy but I believe I am translating correctly when I read from page 299 of the *Journals* of 1924 in French which accused James Murdock, as has been pointed out by the Prime Minister, of having received advantage and personal profit to the extent of the withdrawals that he had made contrary to his obligations as minister and in contradiction to his function and the honour, dignity and traditions of parliament. That, I think, is the last of the cases.

I have cited these cases at length, because this list, I believe, covers every case of this nature which has come before parliament since confederation. These recitals establish that in every case where a motion of this sort has been made and has sought to raise the conduct of an individual member as a matter of privilege and have that matter referred to the committee on privileges and elections then the member making the motion has been required to state specifically what is the conduct that he complains of, how in his view it amounts to a breach of privilege and what is the evidence or proof that he intends to rely upon to prove his charge.

In every case the matter has been brought before the house by way of a motion containing a personal charge. That has been

true in every case of this sort. I believe it is important to have those cases on the record because of the extraordinarily misleading statements made about this matter by the Leader of the Opposition this morning.

In conclusion, Mr. Speaker, I suggest to you that there is a compelling reason why in making a motion of this kind the mover must state in what respect he alleges or charges that the member of parliament concerned has been guilty of a breach of privilege. The reason is this. It is the duty of the Speaker to decide whether or not in fact a breach of privilege or the privileges of the house are involved here in order that such a motion may take precedence over the other business of the house. It is, of course, impossible for the Speaker to determine whether there is a question of privilege or a breach of privilege here unless the hon. member making the motion follows what I suggest is the honourable course of stating specifically how it is that he alleges this is a breach of privilege. Otherwise we have nothing but these vague generalities to go upon.

So the issue is simply this. There is here a judgment in the exchequer court. I am surprised—perhaps I should not be surprised because it is done often, but shall I say, I could not help but note—that the hon. member for Essex East (Mr. Martin) and I think also the Leader of the Opposition and one or two other hon. members have attempted to suggest that I am criticizing the judgment of the exchequer court.

Some hon. Members: Oh, oh.

Mr. Pearson: The "alleged" findings.

Mr. Fulton: I have in no way criticized the judgment of the court nor have I at any time attempted to repudiate the court's findings. The judgment is there. But the interest of the situation arises from the fact that when we ask hon. members opposite in what respects they suggest that the conduct referred to in that judgment amounts to a breach of privilege they are suddenly overcome with shyness and modesty and say, "Oh, that is not our job."

Some hon. Members: Oh, oh.

Mr. Pearson: Look at the motion.

Mr. Fulton: They say: That is not our job; we want a witch hunt, we want the committee to find out if there is anything at all that can be suggested or dragged in on the basis of which a charge could be made.

The record is there for us to examine. The exchequer court's judgment speaks for itself. We say that if it discloses a breach of privilege—and that is the allegation made by my hon. friends opposite—we would be extremely interested in knowing in what specific ways they say there has been a breach of privilege.

Mr. Pearson: Why do you not listen?

Mr. Fulton: Surely, Mr. Speaker, when you are confronted with the extremely difficult and important duty of making the decision you have to make, when you yourself have besought hon. members opposite to give you the assistance you need by specifying the ways in which they say the conduct referred to in the judgment constitutes a breach of privilege—

Mr. Pearson: What about the agreements?

Mr. Fulton: —and when, as I say, they are overcome with shyness and modesty when confronted with these simple questions, then to my mind, and I am sure to Your Honour's, it is a complete indication that in fact they know that the document itself discloses no breach of privilege.

Some hon. Members: Oh, oh.

Hon. Lionel Chevrier (Laurier): Mr. Speaker—

Mr. Speaker: Does the hon. member for Laurier feel he can add anything at this stage to this debate?

Mr. Chevrier: Yes, Mr. Speaker, I should like to participate in this debate.

Mr. Speaker: We have heard from both sides of the house for two and one-half hours and I think the advice and assistance I have had are all that I can bear. However, I do not want to prevent any hon. member who feels that he can contribute to this point from doing so. After all, it is a very important issue which seldom comes before the house in so definitive a way as it has in this motion. If the hon. member feels he can contribute something useful, I am prepared to hear him.

Mr. Chevrier: May I draw to your attention, Mr. Speaker, the fact that the Minister of Justice has already spoken twice on this matter?

Mr. Fulton: So has the Leader of the Opposition.

Mr. Speaker: I believe I have heard equally from both sides but if the hon. member has something to contribute I will hear him. I trust, however, that he will be the last participant.

Mr. Chevrier: It will be up to you, Mr. Speaker, of course, to determine whether I have something to contribute in the course of

this debate, but I am prompted in rising not only because of the statements that were made by the Prime Minister (Mr. Diefenbaker) but more particularly because of the statements made by the Minister of Justice (Mr. Fulton). He rose on two occasions. The two occasions on which he spoke are entirely different in so far as the nature and the tone of that participation is concerned.

This morning he directed his attention to personalities, as the house well knows, and made it quite clear that we lacked the fortitude and courage in that a substantial charge had not been laid. This afternoon he proceeded to put on the record some of the earlier charges and some cases—

Mr. Fulton: All of them.

Mr. Chevrier: —and he wound up his remarks by stating that it was the responsibility of the Speaker to decide whether or not there had been a breach of privilege.

Mr. Fulton: No.

Mr. Pickersgill: *Hansard* will show that that is what you said.

Mr. Chevrier: That is what the Minister of Justice said. My submission to you is that that is not the case and I say it with deference because if Your Honour looks at what is contained in Beauchesne's *Parliamentary Rules and Forms,* fourth edition, citation 104, paragraph 5, you will find this:

> As a motion taken at the time for matters of privilege is thereby given precedence over the prearranged program of public business, the Speaker requires to be satisfied, both that there is a prima facie case that a breach of privilege has been committed, and also that the matter is being raised at the earliest opportunity.

Those, I submit, are the two points upon which Your Honour has to determine whether or not this motion is in order. Your Honour is not called upon to determine the question of privilege, it seems to me, with all deference. That is a matter for this house to determine. I go a step further in dealing with paragraph 5 of citation 104. It reads as follows:

> If he—

That is, the Speaker. I continue:

> If he is not so satisfied he may allow the member to make a statement with a view to ascertaining whether or not a prima facie case can be made out. The right of making complaint of a breach of privilege is open to any member of the house, and, even if an individual member alone is affected, is not confined to that member.

Mark you, there is no question here of a charge. It is clearly stated:

> The right of making complaint of a breach of privilege is open to any member of the house, and, even if an individual member alone is affected, is not confined to that member.

[Mr. Chevrier.]

I say to you, sir, that this motion which is now before you and before the house is properly before the house.

It has been suggested here by both the Prime Minister and the Minister of Justice that this debate must be circumscribed; that there must either be a charge on the one hand or on the other hand nothing at all. That is the effect of the statements made by both hon. gentlemen. Either put up or shut up. That is the effect of the statement.

Some hon. Members: Hear, hear.

Mr. Chevrier: I knew that that would immediately draw strong applause from the other side. In other words, it means this. Either you must lay a charge or you cannot do anything. That is not the procedure laid down in the rules and in the motions and debates that have taken place previously. Anyone trying so to establish it, even if it be the Minister of Justice, is making an inaccurate and an erroneous statement, because these are not the facts. If that were the case, then it would be impossible ever to question or ever to seek information having to do with the propriety of an hon. member, and that is certainly what the Leader of the Opposition is attempting to do by the motion which he has now put on the order paper.

The Minister of Justice and the Prime Minister referred to a number of cases. I shall not prolong the debate by dealing with those cases save two of them which have not been discussed, at least they have not been discussed thus far. The first of those is the Schell case. It came up in 1903 and the discussion of it can be found at page 4959 of the debates of June 18, 1903. Mr. Fowler asked this question:

> Is J. T. Schell, member of the House of Commons, for the electoral district of Glengarry, a partner in the firm of McPherson and Schell, who supplied goods to the Department of Agriculture?

The amount of goods supplied in this case amounted to $5.50. It was the alleged supply of barrelheads by the hon. member to the Department of Agriculture. The reply of the minister of agriculture was that the government had no information as to the personnel of the firm referred to in the auditor general's report in connection with the item of $5.50. Then, on June 25, 1903, at pages 5416 and 5417 of *Hansard,* appears this statement on a question of privilege regarding the question asked previously, given by Mr. J. T. Schell, in which he said, and I quote:

> I submit myself and the whole matter to the judgment of this honourable house.

Whereupon the minister of justice, conducting himself in an entirely different

fashion in those days from the Minister of Justice today, moved:

That the statement just read by Mr. Schell, the member for Glengarry, be referred to the committee on privileges and elections.

And the motion was agreed to. Was there any charge in this case? There was not the slightest iota of a charge. Then, a little later on in the course of the debate, Mr. Sutherland presented the first report of the select committee on privileges and elections and it was found that from the evidence adduced the committee found that the goods in question were sold by the firm of McPherson and Schell to the said Scott personally and therefore there has been no infringement of the law respecting the independence of parliament in this case. There is a clear cut case having to do with a very small amount which showed how in those days there was a great deal of jealousy in so far as the privileges of parliament were concerned.

Then, I come to the Daoust case, which has not been referred to during the course of the debate. In this case Mr. Taschereau moved on March 16, 1876 that certain papers be referred to the committee on privileges and elections as follows—and this will be found in the *Journals* of 1876, volume 10, page 160:

On motion of Mr. Taschereau, seconded by Mr. Laurier;

Resolved, that it appearing from the statement of Mr. Daoust, the member for Two Mountains, made in his place, that he is the person referred to in the papers, in the case of the Queen versus Daoust, the said papers be referred to the select standing committee on privileges and elections, to examine into the legal questions arising in the case, and to search for parliamentary precedents applicable thereto; and to report to this house the result of their enquiries, and whether any, and if so, what further proceedings should be taken by this house in the premises.

The committee reported back on March 28, 1878, and the conclusion which can be found in the *Journals* of 1878, volume 10, page 209, is as follows:

That for the reasons mentioned in the first and second resolutions, your committee are of opinion that the seat of Mr. Daoust is not vacant by reason of the premises, and therefore your committee do not recommend that any further proceedings should be taken by your honourable house in the premises.

Again, there was no charge, and not even the suggestion of a charge of the nature or kind that has been mentioned by the Prime Minister and the Minister of Justice. There was nothing other than an assignment to a committee to deal with the matter that was before the house.

Then, there is the case which has been mentioned both by the Prime Minister and the Minister of Justice, in which there was a charge. I should like to put this charge on *Hansard* so that it may be compared with what was done in the Daoust and the Schell cases and in this case which I am about to deal with now, so that the house can clearly see what is a charge and what is not a charge, and how in certain cases the house has proceeded by way of a charge and in other cases it has proceeded in the same manner and to the same effect as the resolution which is now on the order paper. I refer to a definite charge proposed by Mr. Israel Tarte, which is to be found at page 146 of *Hansard* of May 11, 1891. Mr. Tarte rose and said this:

I believe, sir, I have every reason to believe, that I am in a position to prove, by documentary evidence and verbal evidence, every statement contained in the motion I am going to place in your hands; and those statements are to the effect that, since 1882 or 1883, the secrets of the Department of Public Works have been penetrated and divulged, for money considerations, to public contractors, by the hon. member for Quebec West (Mr. McGreevy), who, according to the evidence I have in my hand, has been paid year by year, contract after contract, large sums of money; that, during that period of time, he has used his influence, as a member of this parliament and as a member of the Quebec harbour commission, against the public interest on numerous and important occasions.

There is a charge, and there is all the difference in the world between that and the two cases I mentioned earlier, those of Schell and Daoust. Therefore, I say there is no truth in the fact that in order to bring a matter of this kind before the house, or before a committee of the house, a charge must be laid. Those who attempt to circumscribe the debate to that extent by saying that a charge must be laid are not doing justice to themselves and to the precedents of parliament.

I have a final case to bring to the attention of the house. Mention was made of it earlier, but some of the statements contained in this case I do not believe have been put on the record. I would like to put them on now. It is the case of Mr. Boothby, which can be found in the United Kingdom parliamentary debates, fifth series, volume 365, at page 830. On that occasion the prime minister of the United Kingdom, Mr. Churchill, rose and made this motion:

That a select committee be appointed to investigate the conduct and activities of Mr. Boothby in connection with the payment out of assets in this country of claims against the government of and institutions in the Republic of Czechoslovakia: to report generally on these matters and in particular to consider and report whether the conduct of the hon. member was contrary to the usage or derogatory to the dignity of the house or inconsistent with the standards which parliament is entitled to expect from its members.

That is in essence the same kind of language which is to be found in the motion moved by

the Leader of the Opposition. Listen to what Mr. Churchill said on that occasion. He said:

I have placed a motion on the paper, which is in the possession of hon. members, the terms of which they have no doubt studied.

That was the reason why we gave 48 hours notice of this motion. It was incumbent on the part of the Leader of the Opposition to have raised this matter without motion, without notice, because under the privileges of the house any hon. member may, before the routine proceedings of the day are reached, raise a question of privilege. Yet because the Leader of the Opposition gave 48 hours notice he is being censured and it is stated that he lacked courage. The same thing was done in the United Kingdom. Mr. Churchill went on:

It will be remembered that after the occupation of Prague—

Mr. Churchill: Read the sentence before that.

Mr. Chevrier: I am sorry. Let me begin again, if I may, so there will be no doubt about it.

I have placed a motion on the paper, which is in the possession of hon. members, the terms of which they have no doubt studied. The house will require to know the grounds on which this motion has been put down.

Mr. Churchill: That is right.

Mr. Pearson: What do you think we have been doing this morning?

An hon. Member: Nothing.

Mr. Chevrier: There are at least ten grounds to be found in the motion. May I go on?

It will be remembered that after the occupation of Prague certain Czech assets were blocked in this country, and there arose the question of payments from these assets to those who had claims against the Czech government or institutions in that country. The hon. member for East Aberdeen (Mr. Boothby) took a very active part interviewing ministers in this matter, pressing for legislation, and he spoke in this house on the bill which was subsequently introduced. He became chairman of an informal committee of Czech claimants, and has pressed for the payment of claims. Evidence has recently been placed before the government which indicates that the hon. member had a financial interest in one large claim. This appeared to be inconsistent with a statement he had made to the former chancellor of the exchequer, and, together with other evidence, it seemed to raise the question whether his action had been in accordance with the usages of parliament, or the standards it is entitled to expect from its members.

Is there a charge by Mr. Churchill?

Mr. Churchill: A charge with regard to financial interest.

Mr. Chevrier: Then he went on to say:

When I communicated these apprehensions to the hon. member it became clear that there was a conflict between the evidence in the possession of His Majesty's government, and the facts as he described them. The matter, therefore, requires to be investigated by a committee of this house. I considered whether I should then move that it should be referred to the committee of privileges but, after obtaining guidance as to the precedents, I came to the conclusion that as the case appeared to raise other issues besides that of privilege, it was better that it should go to a select committee, so that the truth could be ascertained and the conduct of the hon. member considered.

I could go on and read the rest of Mr. Churchill's statement but there are just one or two other sentences that I want to put on *Hansard*. Mr. Churchill added:

I do not consider it fitting at this stage to call for the hon. member's resignation of the office which he holds with distinction in the government, as this might appear in the eyes of the public to prejudice the issue. The hon. member has, however, asked to be suspended from his duties in the meanwhile, and I am prepared to make the necessary arrangements for this.

Then, a little farther on:

It would be manifestly improper for me to enter into detail upon the matters which will be investigated by the select committee—

That is the point under discussion now.

—and, still more, that we should debate matters which, if this motion is accepted, will at once become sub judice.

That is what members on the other side of the house want us to do. They want us to debate matters now which, if we did, would become sub judice if the matter is referred to a select committee or to the committee on privileges and elections.

The terms of reference have been widely drawn, but when the evidence is heard I do not think the committee will have any difficulty in deciding what matters are relevant to their inquiries.

There is a precedent in the mother of parliaments, as it has often been called, which clearly indicates—I say this in all frankness—that on a matter far more serious than this one now before us there was no charge laid but none the less it was referred to a committee. This business of trying to scare members of the opposition into laying a charge or doing nothing has had absolutely no effect at all, first, on the Leader of the Opposition and, second, on the rest of us. You may go on making that statement as long as you like. That is not the practice which has grown up in the house and I am sure it is not going to be the practice in the future.

May I pass on now to another aspect of the case? What is being done by the terms of this motion? We are not prejudging the case at all.

Some hon. Members: Oh, oh.

Mr. Chevrier: This is not a censure on the member. We are putting the judgment of

the court before the house. It is the judgment of the court which censures the member of parliament.

Some hon. Members: How?

An hon. Member: Nothing of the sort.

Mr. Chevrier: My hon. friends say, "Nothing of the sort". The judgment of the court says this, and I will put it in the form of a question rather than an affirmation so that I will not be accused of being unfair to the hon. member. The question arising in the judgment is this: Is it proper for an hon. member to recommend the appointment of an independent appraiser with the one hand and with the other make sure that his independence is lost altogether? That is the point which arises out of this judgment. That is the gravamen of the judgment, and unfortunately that is what hon. members have sought to avoid altogether.

An hon. Member: Is that your charge?

Mr. Pearson: It is the judge's charge.

An hon. Member: Answer the question.

Mr. Chevrier: Let me pause for a moment to give some indication of how these valuations take place, if I may. There is in the Department of Transport a very efficient lands and real estate branch. It has officers all over the country and it has a number of officers in the city of Toronto. When a property is sought by Her Majesty the Queen for the benefit of Canada a notice of expropriation is filed against that property and then the valuator or appraiser proceeds to discuss the question of settlement with the property owner. Sometimes a settlement is arrived at without difficulty. At other times owners will not accept the amounts offered by the appraisers.

In such cases, as mentioned in the judgment, there were a large number of property owners who had accepted the amount of compensation set by the appraisers of the department. But there were some eleven who were not able to accept the valuations. In the preamble to the judgment it is stated that an agreement was made between the minister and the property owners that they would be bound by the valuations of Mr. Clare. The minister, of course, denied that statement. The question which arises is this and it is one which has to be determined by you, Mr. Speaker. Is it proper for a member to seek to bind the crown in such a manner? That is a question which falls to the determined—

Mr. Speaker: May I ask the hon. member whether he said that the judgment found that the department had agreed to be bound by the valuation?

Mr. Chevrier: No, Mr. Speaker, I did not say that. I said that in the preamble of the judgment it was alleged by the suppliant in the issue that that was the case. Then further the question which arises is this. Is it proper for a member of parliament to proceed to act in this fashion? Is it proper for him to receive, as was stated in the judgment, the valuations himself from Mr. Clare and give them to the minister's executive assistant? Is that a proper act? Again that will be a matter for the committee to determine. Was the member interfering improperly in the administration of the affairs of the Department of Transport by so acting? A couple of the officers of the Department of Transport or at least one of them, the assistant deputy minister, Mr. Booth, made it quite clear to the minister that all this was irregular and that it should not be done.

Then, of course, there is the matter of the independent evaluator. The minister, I believe in the course of the consideration of his estimates, said that he was satisfied with his qualifications as a real estate appraiser. But that is the whole point. Was he an independent real estate appraiser in the ordinary sense of the term or in the ordinary common parlance? If he received instructions whereby he was bound beforehand, then he was not a qualified real estate appraiser. Neither was he an independent appraiser. These matters are to be found in the judgment and are matters of record.

Then, Mr. Speaker, there were several valuations that had been made of the property. I believe it was stated that six valuations were made. Why was it necessary to make another one? I can see no reason why, under normal circumstances, there should not be an independent appraiser. There is nothing abnormal about bringing in an independent appraiser when the officers of the Department of Transport are unable to get agreement on the valuation of a property. But when there have been six such so-called independent evaluators called in, is it necessary to have still another? That is a matter which I believe deserves clarification. The judge made a clear finding that there was no indication whatever of an independent valuation.

Mr. Hees: May I be permitted to ask a question?

Mr. Chevrier: Yes.

Mr. Hees: The hon. member has suggested that there is something irregular about having an independent valuation after five or six independent valuations have been taken. His predecessor in office had these five independent valuations taken previously. Would

he say that his predecessor in office was at fault in having a third, fourth, fifth or perhaps sixth valuation taken?

Mr. Chevrier: Apparently the minister was not listening.

Mr. Hees: Oh, yes; I was listening.

Mr. Chevrier: I clearly stated that there was nothing the matter with bringing in an independent appraiser. I made that statement quite clearly. But I said that when there had been as many as six appraisers already on the case and when the officials of the Department of Transport were satisfied with the appraisals that were then made, I asked the question—as the judge must have asked himself—whether it was necessary to call in an additional one. If the valuation was too low which the independent appraiser—

Mr. Fleming (Eglinton): Mr. Speaker, I rise on a question of privilege. What has this matter which the hon. member is now discussing to do with the essential question of whether the privileges of the house are involved?

An hon. Member: Nothing.

Mr. Chevrier: That is exactly the point, Mr. Speaker.

Mr. Speaker: I think the hon. member is asking a question but perhaps not indicating that, if the answer is of a particular character, there is a breach of the privileges of the house involved. I was hoping that he was coming to that and I therefore allowed him to continue. I expect that the hon. member is near the end of what he has to say.

Mr. Chevrier: My hon. friends cannot have it both ways. They want us to lay a charge. We have proceeded to show that a charge need not be laid or rather need not necessarily be laid and that there are many occasions as shown in the debates where charges were not laid and where investigations took place. I am now proceeding to indicate the statements contained in the notice of motion and my hon. friend the Minister of Finance rises and says that this procedure is irregular. Let me just read—

Mr. Speaker: If the hon. member who is dealing with the affirmations as they are called in the judgment, would not simply ask a question, assuming that the valuator was not independent, for example—and that was one of the questions—would then go on to indicate what privilege of the house has been thereby breached, that would answer the question which I initially asked him.

Mr. Chevrier: Then may I put on record a statement of the judge—

[Mr. Hees.]

Some hon. Members: No.

Mr. Chevrier: —dealing with this matter. It is to be found in the judgment.

Mr. Speaker: I think that the hon. member might confine himself to the allegations in the motion itself which have been abstracted from the judgment and which are all that are before the house.

Mr. Chevrier: Will Your Honour just allow me to read one short sentence. It deals with the matter which is now under discussion and which is also in the motion. It reads as follows.

An hon. Member: Answer the question.

Mr. Chevrier: The president of the Exchequer Court of Canada has said this:

> I have no hesitation in rejecting Mr. Clare's valuation. I do not believe that he was a free and independent appraiser.

I do not want to go any further than that. That ought to dispose of the matter having regard to the point about which His Honour the Speaker inquired.

Mr. Speaker: If the hon. member accepts that statement of fact, would he then say that by reason of that statement the hon. member whose conduct is impugned is not a fit member to sit in the house?

Mr. Chevrier: Oh, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Ricard: He is afraid of that.

Mr. Chevrier: Mr. Speaker, I do not think that question is a proper one coming from the Speaker of the house.

Mr. Speaker: I indicated at the beginning of this request for the assistance of the members of the house that I was concerned to know whether, if all of the affirmations in the judgment were accepted as fact, a breach of the privileges of the house would thereby arise and, if so, in what way. I have had no answer specifically to that question. I had hoped that the hon. member who has the floor would give me some assistance. He must appreciate the fact that I accept his statement and the other statements of law that it is my duty to determine whether there has been established a prima facie case of breach of the privileges of the house. If it is alleged that there is a breach of the privileges of the house it seems to me that I should know what privilege has been breached.

Mr. Chevrier: I agree that that is a responsibility which is yours, Mr. Speaker. But with great deference I say that it is not the responsibility of the Chair to draw from me a conclusion which belongs to the house.

It is a statement which it is the responsibility of the house to determine as to whether or not there has been a breach of privilege. I submit, sir—

Some hon. Members: Oh, oh.

Mr. Chevrier: If I may have silence perhaps I can proceed. I submit there is a prima facie case the moment the judgment is produced. The moment the judgment is produced and is read there is to be found there, and I say this with deference to you, sir, everything that embodies a prima facie case which throws the presumption on the other side of the house to rebut. The only way in which that presumption has been rebutted is in this fashion: "Oh, lay a charge. Lay a charge or shut up."

I submit that the precedents show quite clearly that there is an intermediate position between laying a charge on the one hand and doing absolutely nothing on the other. Therefore I would ask this final question.

Mr. Drysdale: Get off the fence.

Mr. Chevrier: My hon. friend behind me says, "Get off the fence". There is no better example of people sitting on the fence than hon. members who sit in the cabinet of the present government, so let my hon. friend not interrupt me with a remark about fence sitting.

I ask this question: If the hon. member had not been a member of parliament could he have done what he did effectively? If he were not a member of parliament, particularly a government member of parliament, could he have recommended the appraiser with the one hand, assuring the department that he was independent, and with the other hand have given him instructions to make sure that he was not independent? As I have stated by citing the statement in the judgment, here is a question calling the conduct of the hon. member in question. But we have had other examples of this before, and I would just like to remind the house of a statement made by the former leader of the opposition against the Right Hon. Mr. Howe. There was no question here of a charge of the nature of the McGreevy case. In this case Mr. Howe rose and made these remarks, which will be found in the debates of March 5, 1951, page 901:

> That is the cheapest remark that has ever been made in this House of Commons. C. D. Howe and Company Limited has been in existence for thirty-five years. I severed my connection with it in 1935. The trade was notified, and so were the customers, that I had no association with it. I do not seek advice from it, and I do not go into the company office. I suggest that my hon. friend has gone down in the estimation of this house by such a remark. I never thought too much of him before, but I shall think less of him from now on.

Did the hon. leader of the opposition resign his seat because of this?

Mr. Diefenbaker: What was the allegation?

Mr. Chevrier: The allegation was that the right hon. minister had an interest in the C. D. Howe Company.

Then again there is the case of Mr. A. E. Dewar, the former member for Qu'Appelle, against whom certain statements had been made both in and out of the house, and I will give the house an idea of what was done on that occasion. A statement was made by the hon. member, and it is to be found on page 29 of *Hansard* of 1953.

Mr. Churchill: He resigned.

Mr. Chevrier: Yes, he resigned, but at least he made a statement. So did others who found themselves in similar circumstances.

Therefore I say that the precedents are not as our hon. friends on the other side have indicated. There is an intermediate position. It is not necessary in order to have the matter investigated to lay a charge. That is not the practice or the jurisprudence in the House of Commons. But it seems to us on this side of the house that there has been established a prima facie case to allow this matter to go to a committee for investigation.

Mr. Pearson: Mr. Speaker, may I have permission to ask Your Honour one question before you make your ruling? It arises out of the motion and the excerpts from the court judgment which we have included in the motion. My question is this: If this motion is ruled out of order, does it mean that no question of privilege can be raised in this house for submission to a committee which arises out of allegations, direct or implied, made against a member of this house outside the house by a judgment of a court or in some other way, unless a member associates himself with those allegations to the point where he has himself to lay a charge against another hon. member?

Mr. Speaker: I think there is a fairly clear difference of opinion on the question which the hon. Leader of the Opposition has just raised. We have had a very full and lengthy discussion of the legal principles of procedure which are involved in dealing with a motion of this kind, which purports to be a motion on the question of privileges of the house.

I feel sure that hon. members would want me to give a fully considered judgment in a matter of this kind, and as I see that no harm will be done by delaying the delivery of the judgment I would ask hon. members to give me that forbearance so that I can

consider what has been said and come to what I hope will be a correct solution to a point which to my mind is of great significance. It is for that reason I make this request.

As I said, it is not a frequent occurrence in the house, fortunately, but it does involve a matter of procedure of great importance to hon. members, namely what ground has to be laid before it is the duty of the house to take under consideration as a matter of privilege some conduct of one of its members. What turns on the decision, of course, is whether this motion is debated at once or whether it is a notice of motion which stands on the order paper for later consideration and is not a motion of privilege because, as I said at the beginning, the motion can clearly be brought. At least I am reasonably clear that it may be brought by any member as a notice of motion, but if it is asserted that it is a motion of privilege, then the preliminary question is, is a prima facie case of breach of privilege of the house involved? That is the point which I shall deal with later.

May we then pass to the next order of business.

TRADE

WHEAT—MOTION FOR APPROVAL OF INTERNATIONAL AGREEMENT

On the order: Government notices of motion.

June 15—the Minister of Trade and Commerce—the following proposed resolution:—That it is expedient that the houses of parliament do approve the international wheat agreement opened for signature at Washington, D.C., on April 6, 1959, and that this house do approve the same.

Mr. Speaker: Pursuant to section 2 of standing order 21, this government notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

STARRED QUESTIONS

AVERAGE YIELD TO GOVERNMENT ON BORROWINGS

Question No. 69—**Mr. McMillan:**

What is the present average yield at price to the government, including all costs, on all borrowings made since July 1, 1957, and including the conversion loan of 1958?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the answer is as follows: 4.128 per cent for an average term of 9.629 years.

BOARD OF REFEREES CHAIRMAN, UNEMPLOYMENT INSURANCE COMMISSION, TORONTO

Question No. 88—**Mr. Hellyer:**

1. Has the chairman of the board of referees of the unemployment insurance commission at Toronto been relieved of his duties?
2. If so, what was the reason for his dismissal?

[Mr. Speaker.]

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the answer to the first part of the question is yes. The answer to the second part is as follows. Chairmen of boards of referees are appointed and hold office at the pleasure of the governor in council. Mr. Cooper, the chairman referred to, was appointed in February, 1942. His replacement was made in accordance with a policy to review all such appointments and to make new appointments where it was felt necessary to do so in line with changing conditions.

QUESTION PASSED AS ORDER FOR RETURN

BOARD OF REFEREES CHAIRMEN, UNEMPLOYMENT INSURANCE COMMISSION

Question No. 100—**Mr. Martin (Essex East):**

1. What were the names of the chairmen on the board of referees operating under the unemployment insurance commission as of June, 1957?
2. How many of these are still acting in this capacity?
3. Have any been replaced? If so, how many and for what reason in each case?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, because of the fact that the answers to this question are of great length and detail I would request this be made an order for return.

Mr. Martin (Essex East): May we have an answer fairly quickly?

MOTIONS FOR PAPERS

FERRY SERVICE, ST. JOSEPH DE LA RIVE-ST. BERNARD DE L'ILE AUX COUDRES

Motion No. 120—**Mr. Brassard (Lapointe):**

For a copy of all telegrams, correspondence, reports and other documents exchanged since August 1, 1958, between all persons or public bodies, and the Canadian Maritime Commission or the Department of Transport, regarding the ferry service operated by Rosario Harvey between St. Joseph de la Rive and St. Bernard de l'Ile aux Coudres, in the county of Charlevoix.

Mr. Brassard (Lapointe): Mr. Speaker, I have had a word with the Minister of Transport with regard to this motion and also with the chairman of the Canadian Maritime Commission, and as I have been supplied with the information required I wonder whether with the unanimous consent of the house I could withdraw it.

Mr. Speaker: Has the hon. member leave to withdraw?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

SARNIA INDIAN RESERVE—LAND ACQUISITION BY ONTARIO HYDRO

Question No. 123—**Mr. Pickersgill:**

For a copy of all communications including memoranda of telephone conversations, since January 1,

1958, between the Ontario hydro or any of its officials on the one hand; and the Minister of Citizenship and Immigration or any officials of the department, on the other, regarding the acquisition by Ontario hydro of land on the Sarnia Indian reserve.

Motion agreed to.

TERRA NOVA NATIONAL PARK—EMPLOYMENT

Question No. 124—**Mr. Pickersgill:**

For a copy of all communications received by the Minister of Northern Affairs and National Resources or any official of the department at Ottawa since February 18, 1959, regarding employment in Terra Nova National Park, together with a copy of all replies thereto.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I have no objection to this motion, except the usual reservation with regard to privileged documents.

Mr. Pickersgill: May I just put a question to the minister. Since this question does not refer to private correspondence, what does the hon. gentleman mean by "privileged documents"?

Mr. Hamilton (Qu'Appelle): Those which have been accepted as such under the rules and practice of this house.

Mr. Pickersgill: I am rising on a point of order. I know of no such reservation. Certainly that phrase was never used when we were in office. If it is not already quite obvious, this question is certainly not intended to cover intergovernmental communications with regard to which the phrase has, of course, been used in the past, and in these circumstances it does not seem to me that any reservation of any kind should apply.

Mr. Speaker: Perhaps the minister could state more explicitly the reservation which he desires to attach to the acceptance of this motion.

Mr. Benidickson: Political reservations.

Mr. Hamilton (Qu'Appelle): I know of no document which I cannot table, but I think it is customary that when documents come marked "personal and confidential" they should remain so.

Mr. Speaker: Shall the motion carry, subject to the reservations expressed by the minister?

Motion agreed to.

EXTERNAL AFFAIRS

GENEVA CONFERENCE—REQUEST FOR STATEMENT ON GOVERNMENT POSITION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): In view of the fact that the Prime Minister, according to the press, made a very interesting statement in the United States yesterday on the work of the Geneva conference, I wonder if he would favour the house with the views of the government regarding this very important matter.

Hon. Howard C. Green (Secretary of State for External Affairs): In answer to the question which has been asked, I think it is correct to say that a crucial stage has been reached in the foreign ministers' conference at Geneva. A private meeting is being held today at which the three western foreign ministers will be tabling revised proposals for an interim solution for the problem of Berlin. The Soviet foreign minister had previously submitted proposals for Berlin which the western powers found unacceptable, particularly so because they seemed to contain a threat of unilateral action toward the elimination of western rights in Berlin if certain conditions were not met. It is to be hoped that a sufficient common basis can be found for the continuation of negotiations.

I think perhaps there would be very little which would be helpful that I could add at this particular time.

(Translation):

POST OFFICE DEPARTMENT

DES ORMEAUX CENTENARY—INQUIRY AS TO COMMEMORATIVE STAMP

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Postmaster General. Will the Post Office Department issue a special stamp in 1960 to commemorate the third centenary of the heroic deed of Dollard des Ormeaux at Long Sault?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, we are now considering the choice of postal stamp designs for 1960, and we shall probably have a detailed announcement to make in this regard before long.

(Text):

UNEMPLOYMENT INSURANCE

REQUEST FOR COMMENT ON STATEMENT BY PREMIER OF QUEBEC

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Labour if he has any comments to make on the statement of the premier of Quebec that employees of the provincial government should not seek to be included under the provisions of the Unemployment Insurance Act which was introduced by a Liberal government in this house in 1940?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker.

BUSINESS OF THE HOUSE

INQUIRY AS TO AMENDMENT OF NAVIGABLE WATERS PROTECTION ACT

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wish to address a question to the Minister of Transport or the Minister of Public Works, each of whom has a responsibility in this matter. Does the government intend to introduce legislation this session to amend the Navigable Waters Protection Act with respect to certain misuses of our navigable waters?

Hon. Howard C. Green (Minister of Public Works): No, Mr. Speaker.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS TO INCREASE RATES OF REMUNERATION AND CONTRIBUTIONS, ETC.

The house resumed from Tuesday, June 16, consideration in committee of Bill No. C-43, to amend the Unemployment Insurance Act —Mr. Starr—Mr. Rea in the chair.

On clause 1—*Repeal.*

Mr. Benidickson: When we were discussing this matter at the time of adjournment last night I had not completed the few remarks that I wanted to make. I was drawing attention particularly to the decision made by the cabinet, and the suggestion that this decision was not in strict compliance, or adequate compliance, with section 86 of the Unemployment Insurance Act, and I pointed out that this section directs the unemployment insurance commission to requisition directly to the Minister of Finance for a loan. This is the first time a loan has ever been made, and I suggest this has been taken in a very casual way.

We heard references in the committee to conversations between the Minister of Labour and one member of the unemployment insurance commission, and then the minister told us he had a conversation with his colleague, the Minister of Finance. We know that on April 1 or April 2 there was an order in council authorizing a loan of $80 million, with the bonds of the unemployment insurance commission pledged with respect to the repayment of that loan. Overnight, I was confirmed in the view I held that the procedure had not been strictly complied with, and my curiosity has increased as to what went on in the latter days of March in this respect. The minister will recall that in the last sittings of the committee there were a couple of unanswered questions. These questions have subsequently been answered by the chief commissioner of the unemployment insurance commission. One of those questions was asked by the hon. member for Essex East, who inquired:

Did the commission recommend to the Bank of Canada that sales of securities be made to take care of the cash requirement for April 1959?

The chief commissioner has supplied the hon. member for Essex East with an answer to that question, and has also supplied a copy of his requisition, which is in formal form, unlike the kind of informal conversations which took place with regard to a matter of this consequence with respect to section 86 of the act, and my surprise was increased when I found that this requisition is dated March 25. We know it takes time to make submissions to the cabinet, but somehow between March 25 and April 1, this other decision was reached and without the type of requisition or request on the part of the unemployment insurance commission sitting as a commission and acting as a commission and dealing in an adequate and formal and proper manner as contemplated by the statute on something as serious as this.

Last night I made reference to the fact that while we are using hindsight as our base it turns out that perhaps this decision has not been particularly profitable for the unemployment insurance fund in that if the bonds had been sold earlier they could perhaps have been sold more satisfactorily than one would imagine at the moment because of the drop in the market value. I want to apologize to the committee, however, in that I had in mind the actual total drop from book value to present market value when I referred to $7 million. The actual drop as I calculate from April 1 to the present time would be about half that amount but that does not in any way reduce the import of my argument.

My argument simply is that a further substantial capital loss has taken place. I base this calculation on a figure of approximately 94¾. According to my notes that was the market price of the 4¼ 1972 bonds around about April 1. If hon. members had looked at the Montreal *Gazette* this morning they would have seen that there is a 90 to 91 quotation in connection with these particular bonds.

I want to correct the statement I made last night in this category. The proper figure would be a further drop in market value of $3,500,000 with respect to the securities which were pledged. The argument remains the same, however. Why was not the commission asked for a requisition as contemplated in section 86? Why in something of this magnitude were the investment committee avoided? What were the general financial considerations that resulted in a decision which I say was taken by the cabinet itself in a way not contemplated by the statute?

Later in our discussion I shall perhaps have an opportunity to refer to the matter which in the committee on industrial relations we regarded as very serious concerning whether or not it was proper under such conditions as we have had in the last year or so to have two senior officials who are the chief advisors on debt management of the Minister of Finance sitting as two members out of three on an investment committee concerned with trust funds of this magnitude of which almost 80 per cent comes from non-government sources.

I was looking over the report of the committee discussion this morning and in that connection I find that I was misquoted in the committee on industrial relations. At page 379 of the minutes of proceedings and evidence dated June 9, 1959, when questioning Mr. Coyne I was reported as having said:

These witnesses—

Of the investment committee. I continue:

—were brought here on the motion of two government supporters. There is every justification to decide whether or not there is any possibility of having a dual responsibility or incompetency, as Mr. Martin said, in the investment committee—

Neither the hon. member for Essex East nor I used the word "incompetency". The word we used was "incompatibility". I am sorry this has remained so long in the record without my noticing it. I think that is confirmed by the final sentence of my remarks on that page where I am quoted as using the word "incompatibility". That was the word I had used previously. I went on to say:

That the committee said, is not so; that there has been no incompatibility—

"Incompatibility" rather than "incompetency" was the word I have consistently used in connection with this type of review.

Mr. Martin (Timmins): Mr. Chairman, yesterday afternoon when I had occasion to speak briefly on this clause I dealt with two points. The first was the confusion which has been caused by this government and the second was the arrogance shown by this government with its tendency to use its vast majority to ride roughshod over the wishes and advice not only of the opposition but of various organizations throughout Canada.

This morning I received a letter which beyond any shadow of doubt bears out both points I made yesterday. I should like to place this letter on the record and then deal with the matters it raises. The letter is postmarked St. Catharines, Ontario, and reads as follows:

In the office where I am employed we have received (a week or more ago) from unemployment insurance commission, Ottawa, under date of June 1, 1959, their bulletin No. 20 advising changes in contribution and benefit rates effective June 28, together with table of amounts form UIC 465 (4-59).

Upon calling the local unemployment insurance commission for two more copies of these bulletins for use in our office, I was told they knew nothing about the matter, that they had no information, and did not believe the changes were in effect. I was advised to ignore the information!

I later called the post office, and they said they had had people coming in all day asking for the new stamps—which I was asking for—and that they knew nothing about the matter.

Does this mean that such changes have to be passed by legislation and, if so, does it mean that Ottawa has printed and sent out this advice, ignoring parliament? I am greatly disturbed at the thought. At the very least it is a muddle of muddles with local unemployment insurance office and possibly offices, not being advised.

I do not know how this came about but it illustrates the two points I raised yesterday, the confusion caused by this government throughout the country and its arrogance.

The hon. member for Hull placed on the record a list of organizations that presented briefs to the government on the measure before us today. This list included the Canadian Chamber of Commerce, the Canadian Labour Congress, the board of trade of metropolitan Toronto, the Vancouver board of trade, the Canadian Retail Federation, the Canadian Manufacturers' Association, the Canadian Construction Association and there may have been others.

Something else of interest came to my office today and possibly it reached the offices of other hon. gentlemen. I refer to a newsletter issued by the department of economic development of the Canadian Chamber of Commerce. I mentioned yesterday that the actions of this government have had the effect of making strange bedfellows throughout this country. I never thought I would see the day when I would be in relatively complete agreement with so many things promoted by the Canadian Chamber of Commerce. It has not been my experience in the past to find myself in such agreement with many of the things they say. The newsletter contains some things that I think are very pertinent to the debate before us now. In the second paragraph it says:

At that time the executive council urged the government to appoint a representative commission of enquiry to examine the operations of the Unemployment Insurance Act as to sources of drain, coverage and financing before any increases in unemployment insurance contributions are made.

Surely, this is a very reasonable request. I think that when a C.C.F. member finds, as I said before, that he can agree wholeheartedly with the Canadian Chamber of Commerce, then surely there is no reason why this government should not take this

into consideration. Farther down in the newsletter the following appears:

> The chamber brief held that over the years there has been a gradual attrition of the insurance principles and actuarial soundness of the unemployment insurance fund, brought about by working into the provisions of the act arrangements that were never contemplated under the original concept. The view was expressed that before a large increase in rates is added to the existing structure, the whole basis of unemployment insurance should be examined and that in addition to reviewing areas of drain and alternative financing, examination be given to the restricted coverage now in the act, with a view to seeing if excluded groups cannot now be properly covered.

Is that not exactly what the members of this group have said, not only this year, last year or the year before, but for many years in the past? Still farther down in this newsletter we find this:

> The spokesman for the executive council made it abundantly clear—

This is the executive council of the Canadian Chamber of Commerce:

> —that the brief was not in any way opposing the principle of unemployment insurance. Indeed, reference was made to the fact that the successful operation of the Unemployment Insurance Act has been a strong bulwark against the hardships that workers suffer from unemployment, and has been a factor in maintaining the purchasing power that has held down the recession.

We find, Mr. Chairman, that we can go along in complete agreement with these remarks of the chamber of commerce.

All these organizations that I have listed have presented briefs to this government. I do not know exactly what answers they received from the government, but I am sure they would fall within some of the categories I have here which have been so often expressed in this house by the Prime Minister and other members of the cabinet. I am sure the statements given to them will fall somewhere in those categories: that it was being given consideration, or serious consideration, or continuing consideration, or active consideration, or sympathetic consideration, or due consideration, or proper consideration, or careful consideration, or further consideration.

Mr. Pickersgill: Or still further consideration.

Mr. Martin (Timmins): I am sure it would fall into one of those categories, because those categories are becoming all too prevalent in the replies which we receive in this house from the Prime Minister and the other members of the cabinet. I think it goes to show, Mr. Chairman, just how empty and hollow are all of these considerations which are being given to these various organizations by the present government. I would say further, Mr. Chairman, in view of this letter which I have just read, it is shown very clearly that all of these considerations, regardless of what adjective goes with them, mean nothing whatsoever because it is quite apparent that the government had already made up its mind, strictly aside from anything that the members of Her Majesty's loyal opposition may say, or strictly contrary to any advice given by any organization in this country. The government had already made up its mind what it was going to do and that they would just go through the motion of presenting it to parliament.

I say, Mr. Chairman, that the action referred to in this letter is an insult to all of these organizations; it is an insult to the opposition in this house; it is an insult to parliament itself. I would ask the government even at this late date to reconsider this matter. It is still not too late to redeem itself. It still has time to convert this fund and put it on an insurance basis and not just on a purely political basis.

Mr. Martin (Essex East): Before the hon. member takes his seat, may I ask him a question? I was engaged in something else at the time. When my hon. friend spoke at the outset he referred to a letter that had been sent out by the unemployment insurance offices, I understood, to someone in a particular community in Ontario. Would my hon. friend be kind enough to say what the effect of that letter was and would my hon. friend indicate the purport of the letter? If I understood it correctly, it would seem to represent a very serious situation which calls for response at once on the part of the government.

Mr. Martin (Timmins): Mr. Chairman, I shall be glad to accede to the hon. member's request. I said this letter was sent from St. Catharines, Ontario. The first paragraph reads:

> In the office where I am employed we have received a week or more ago from unemployment insurance commission, Ottawa, under date of June 1, 1959, their bulletin No. 20 advising changes in contribution and benefit rates effective June 28, together with table of amounts form UIC465 (4-59).

Mr. Martin (Essex East): We will have to pursue this very serious matter.

Mr. Pickersgill: Mr. Chairman,—

Mr. Starr: Mr. Chairman,—

Mr. Pickersgill: I was recognized.

Mr. Starr: All right.

Mr. Pickersgill: If the minister would like to reply—

Mr. Starr: No; go ahead.

Mr. Pickersgill: I do not want in any way to interfere with the minister's reply.

Mr. Starr: You did.

Mr. Pickersgill: If he wishes to reply briefly; otherwise, I want to speak about something which the hon. member for Timmins was also speaking about, namely the newsletter issued by the department of economic development of the Canadian Chamber of Commerce. Unlike the hon. member, I cannot find myself wholly in agreement with this newsletter, though I fully sympathize with the main point made by the chamber of commerce which is, I think, the point that was made by us at an earlier stage in the debate, namely that there are certain groups and they are not just fishermen. I may say that the fishermen very much resent the fact that they are always singled out. There are other groups who are also seasonal workers which are a much bigger drain on the fund than fishermen; but I admit very readily there is a situation that ought to be corrected. It is the situation of those groups which have been progressively added, and when we were in office we included some of them.

Mr. Starr: All of them.

Mr. Pickersgill: The hon. gentleman is saying the present government has included nobody.

Mr. Starr: All of the seasonal groups that are now under the fund were included by the former government. All these anomalies were created by the former government. The hon. gentleman invited me to answer.

Mr. Pickersgill: No; I merely asked a very simple question.

Mr. Starr: The hon. member does not want an answer.

Mr. Pickersgill: The minister loves to make speeches. When one word would do the minister always uses 10.

Mr. Bell (Saint John-Albert): You are no shrinking violet yourself as far as speaking is concerned.

Mr. Pickersgill: At least I once in a while rise in my place when I speak. I do not always speak from my seat, as does the hon. member for Saint John-Albert, though I occasionally do speak, I hope, with a little more effect.

I want to come back to this matter. The Minister of Labour has given the Liberal government credit for bringing under social security all the seasonal occupations in the country and I thank him for giving us that credit. I am very proud of the fact that we did it but I admit—and I have never pretended to the contrary—that by themselves these groups do, taking one year with another, probably draw more out of the fund than they pay into it. I have taken the view—I do not mind admitting that I took this view even when I was a minister—that for these groups some special provision should be made out of the treasury into the fund. In considering this matter we should not forget that everybody who is insured gets a contribution from the taxpayer because, under the present law, the fund as to 20 per cent comes out of the treasury. So that the insurance of none of these groups is completely actuarially sound.

In fact, there are two elements in unemployment insurance. One is the element of insurance and the other is the element of social security, if I may put it that way. That has been the situation from the beginning. The addition of seasonal workers has undoubtedly increased the proportion of those who are covered by social security and I think it has increased the grounds for a larger contribution from the treasury.

But what I and the people I represent object to are these statements that seasonal workers of any kind should be removed from the operation of the act and put into some special scheme. I will state very briefly why the fishermen resent that. Fishing everywhere on the Atlantic coast is a seasonal occupation and the men who pursue the fishery want to be able to use the stamps they get from fishing and combine them with the stamps they get from logging and other occupations at a time when there is no fishery in order to work as long as possible and still be covered. We do not want to put a premium on idleness. We have never wanted that, quite the reverse. I understand that the chamber of commerce changed its position considerably from the time it first appeared before the committee until it left and I hope there are others who have also changed their position because it would be a very retrograde step in my view to try to cover fishermen, loggers or any other seasonal group by some other scheme than the unemployment insurance scheme.

But I agree completely with the hon. member for Timmins who spoke a few moments ago that the fund does need replenishment from the treasury on a larger scale for these groups than it does for those who approach more nearly to being actuarially covered by their contributions. In order to emphasize the point, and this is repetition, I want to say again that it would be a very retrograde step to bring fishermen or loggers or, in my view, any other group of seasonal workers out from under the operation of the act into any other scheme, no matter how beneficial that scheme might be.

Mr. Regier: I wonder whether the minister has an answer to the rather serious charge made by the member for Timmins.

Mr. Starr: I have endeavoured to do so on two or three occasions but there are too many who are very anxious to take part in the debate at this time. It is not a serious charge at all.

Mr. Martin (Essex East): It is serious.

Mr. Starr: Did the hon. member for Essex East say something?

Mr. Martin (Essex East): I said I thought it was serious.

Mr. Starr: If the hon. member for Essex East can contain himself sufficiently for me to give the explanation—

Mr. Martin (Essex East): Parliament is a very important body.

Mr. Starr: I think I appreciate parliament far more than does the hon. member for Essex East, for various reasons. With regard to what the hon. member for Timmins has said about bulletin 20, I was not aware of it but the unemployment insurance commission has sent me the following information. Bulletin No. 20 for employers had to be prepared in anticipation of the bill being passed. They were not to be issued unless and until the legislation was passed. Unfortunately and inadvertently some of them were placed in the mail last week, and the commission assures me that there was no attempt to circumvent parliament.

Mr. Benidickson: I take it from that statement that a great deal of the preparation for the new regulations and benefits has actually been going on. I would not think it would be practical for the unemployment insurance commission to anticipate that the minister would probably be successful in putting through this unpopular bill.

Mr. Starr: If it is unpopular, I do not see why there is this opposition.

Mr. Benidickson: The minister knows that nobody came before the committee to make representation whose complaints did not exceed any commendations they had.

Mr. Starr: Then I cannot understand the opposition.

Mr. Martin (Essex East): You cannot?

Mr. Starr: No.

Mr. Martin (Essex East): My hon. friend says he cannot understand the opposition. Will he tell us specifically what he means by that?

Mr. Starr: The hon. member for Kenora-Rainy River says that this is a very unpopular bill. Therefore I would presume that he and the hon. member for Essex East would like to have the bill passed.

[Mr. Regier.]

Mr. Martin (Essex East): This bill is unpopular because it is unjust, it is unfair because the minister persists in imposing additional contributions of almost $100 million on the workers and employers of the country and giving $20 million or thereabouts in benefits. That is what is wrong with the bill. Further, what is wrong with this bill is the fact that the fund has been put in a perilous state as a result of some of the policies of this administration, policies for which the Minister of Finance is largely responsible.

Mr. Starr: Of course, that is the opinion of the hon. member for Essex East and I for one would not pay too much attention to it.

Mr. Pickersgill: I think what the Minister of Labour has said is an insult to every member of the opposition. To suggest that we would want to put through unpopular legislation just for the sake of creating some unpopularity for the government is a most unworthy imputation. We are here trying to do our best for the sake of the people of Canada and the minister has made an unworthy suggestion.

Mr. Starr: Let the people of Canada decide that.

Mr. Fleming (Eglinton): Mr. Chairman, it is nothing unusual for the hon. member for Essex East to give free rein to his imagination and indulge in a multitude of slippery and baseless accusations. His speech yesterday, to be found at page 4798 and following of *Hansard*, represents a new high in my opinion on the part of the member for Essex East in making false accusations, false charges.

Mr. Martin (Essex East): Mr. Chairman—

Mr. Fleming (Eglinton): I certainly think—

Mr. Martin (Essex East): —I am rising on a point of order. The minister saw fit to remain out of the house yesterday in spite of the undertaking of the day before. The minister has said that I have made false accusations. You can say that in your judgment I have made an inaccurate observation, which is quite different, and I ask the hon. minister to withdraw his remark.

Mr. Fleming (Eglinton): Mr. Chairman, my remark is not only parliamentary but correct. It is an expression that has been used in the house quite often. To refer to the charges that have been made as false charges is not unparliamentary. I and other members have used that expression in the house and in this case it is, as I shall proceed to show,

an accurate observation with respect to many of the statements made yesterday by the member for Essex East.

Mr. Martin (Essex East): We shall see.

Mr. Fleming (Eglinton): The first assertion that the member began with was that there is some fundamental incompatibility in the positions of the members of the investment committee under the terms of the Unemployment Insurance Act. If there is any incompatibility in that respect it was created by parliament itself, and was there before we came into office, for we have made no change whatever. There has been no change whatever in the case of two of the three members of the investment committee. The gentleman who represents the Minister of Finance on that committee is the same gentleman, the deputy minister of the Department of Finance, who was there before I became minister of the department. He is a highly competent and qualified person to sit on the investment committee and I do not propose to make any change in that respect.

The governor of the Bank of Canada was there before we came into office and we made no change. The only change made followed the retirement of an assistant deputy minister in the Department of Labour. His successor in that department was appointed to take his place on the investment committee. There has been no change in the structure of the committee since we came into office, and if the hon. member is talking about incompatibility of positions then I suggest that his quarrel is with the legislation enacted by parliament and also with the government of which he was a member which was responsible for the creation of this situation. If there is incompatibility he and his colleagues created it. That is my first observation about incompatibility.

But the hon. member went on from that, in his imaginative flight compounding these false charges that he levelled against the government, to say that the members of the committee were in a dual position. The members of the investment committee were not in a dual position. They discharged their responsibilities under the terms of the Unemployment Insurance Act and there was no interference with them whatsoever. There was no duality of interest or responsibility on their part.

The whole basis or the whole argument of the hon. member for Essex East was that there was some kind of subtle interference with the members of the investment committee in their decisions with regard to the purchase of bonds or the conversions of bonds. Mr. Chairman, there has been no interference whatsoever with the members of the investment committee in their free decisions with regard to the acquisition of obligations of the Dominion of Canada in accordance with the provisions of this act. There has been no suggestion made to them at any time as to what obligations they ought to invest in. There has been no interference of any kind whatsoever. They have their responsibility under this act and, as Mr. Coyne stated in the evidence he gave to the industrial relations committee, they performed their duty to the best of their ability and they have done so without the slightest interference on the part of the government or of any minister of the government. I trust that statement will dispose of the second false charge in which the hon. member for Essex East indulged himself.

Next—and I am taking them as I find them in this extraordinary speech of his which is full of aberrations and excursions into the realm of fiction—he said that there was some fault on the part of the investment committee in that they did not sell out all their holdings of bonds something like a year ago and realize on them all because the bond market in this country, like the bond market in the United States, weakened after that time. As the hon. member for Kenora-Rainy River was frank enough to say this afternoon, the opposition in this respect is proceeding on the basis of hindsight.

Mr. Martin (Essex East): He did not say that.

Mr. Benidickson: Not on that point.

Mr. Fleming (Eglinton): I suggest that it would not be unfair to ask the hon. member for Essex East if he foresaw in the summer of 1958 the course of the bond market in the next year.

Mr. Martin (Essex East): Are you asking me that question?

Mr. Fleming (Eglinton): If he did so, then I suppose he sold out all his bonds in the summer of 1958 and proceeded then—

Mr. Martin (Essex East): On a point of order—

The Deputy Chairman: Order.

Mr. Fleming (Eglinton): —to take advantage of any weakening in the bond market that has taken place since that time.

Mr. Martin (Essex East): I rise on a point of order. The Minister of Finance must learn to respect the Chair and to observe the rules of order.

Mr. Fleming (Eglinton): What the hon. member means is that the Minister of Finance must learn to respect the hon. member for Essex East.

The Deputy Chairman: Order.

Mr. Martin (Essex East): The hon. minister for whom, on most occasions, I have a high regard, has asked me a question. Does he wish me to reply now?

Mr. Fleming (Eglinton): The hon. member will have an opportunity to reply.

Mr. Martin (Essex East): Do not ask me these questions then if you will not allow me to reply.

Mr. Fleming (Eglinton): I said that if the hon. member for Essex East had all this foresight that he expects of others we can presume that he liquidated his bond holdings last summer and has made a fortune since then because anybody who had the foresight that he expected the investment committee to use in the summer of 1958 could not have failed to make a fortune on the basis of that foresight.

Mr. Pickersgill: Did the minister do that?

Mr. Fleming (Eglinton): I do not know whether or not the member made a fortune, if you are asking me that question. But I am saying that if the hon. member for Essex East had the foresight that he evidently expected of the investment committee, that would unquestionably have been the result.

Mr. Pickersgill: The minister misunderstood my question. I asked does the minister admit that anyone who had the foresight could have made a fortune?

An hon. Member: You changed your question.

Mr. Fleming (Eglinton): Anybody who could foresee the trend of the market in that space of time could always, I should say, make a fortune, from the movement in the market.

Mr. Benidickson: Can you sell bonds short without owning them?

Mr. Fleming (Eglinton): My hon. friend had better ask the hon. member for Essex East about that matter.

The next observation on the part of the hon. member for Essex East was that there had been book losses, and he tried to associate the introduction of the present bill with the alleged book losses. Mr. Chairman, actual losses occur only when securities are liquidated. The hon. member is talking about book values of obligations of the Dominion of Canada that are held by the investment committee. He is not talking about losses that have occurred. The loss that occurred, as was indicated earlier, was a loss of $10 million. But he has gone on from there into astronomical figures on the assumption that the unemployment insurance commission proceeded to liquidate all its holdings. It has not done so.

I remind the hon. member for Essex East that, as against the actual loss of $10 million on sale, when his government was in office there were losses in precisely the same way; but he does not face up to that fact. He does not say anything about it. I remind the committee that in the last month in which the former government was in office there was a $2 million loss in that one month in respect of realizations by the commission on its holdings of Dominion of Canada obligations. It will therefore be seen that there is nothing new or unprecedented about this experience. It has occurred previously.

But let us go further with this question. The hon. member says that this matter has something to do with the present measure. The reduction in the book value of the commission's holdings of Dominion of Canada obligations has nothing whatever to do with the introduction of the present measure. It was a most palpable pretence on the part of the hon. member for Essex East in the deliberations of the committee on industrial relations to pretend that this bill arose out of the fact that there has been a shrinkage in the market value of bonds. Mr. Chairman, the complete answer was given to the hon. member for Essex East by Mr. Coyne, the governor of the Bank of Canada and chairman of the investment committee, when he appeared before the committee on June 9. The fact is and it is incontestable, that the situation with regard to the bond market had nothing whatever to do with the introduction of this present measure. This present measure is designed to put the contributions to the fund on a basis of equality with the outgo from the fund, based not on any short period but on the average over a period of the past five years. That is the simple basis. The present measure will not do more than that. It is not based upon a period in the winter of 1957-58 or the winter of 1958-59. It is not built up to meet the withdrawals from the fund at the rate that prevailed in those two winters. It is based on the average over the last five years. I say to this committee that that is a sound and fair approach and that this bill has nothing whatever to do with the bond market or any shrinkage in the market value of bond holdings of the unemployment insurance commission.

Then we had from the hon. member for Essex East another charge which has no foundation or truth in it whatever, and it

was echoed by the hon. member for Kenora-Rainy River. I did not expect the hon. member for Essex East to exercise very much care in the statements that he has been making on this subject. He has been engaging in utterly reckless statements all the way through at the various stages of this measure. But I will say to the hon. member for Kenora-Rainy River that I expected from him something a little more responsible than simply to echo the errors of the hon. member for Essex East.

The hon. member for Essex East says that the terms of the statute were not observed in the matter of the loans because there were no requisitions. That is his statement. You will find it in his speech of last evening. The hon. member for Kenora-Rainy River said the same thing last evening.

The hon. members have taken it upon themselves to make an assertion as if it were a statement of fact that there were no requisitions pursuant to the terms of section 86 of the Unemployment Insurance Act, and that the Minister of Finance proceeded to make loans to the unemployment insurance commission, a number of them, without having any requisition. Mr. Chairman, the statements made by both these members of the opposition are completely wrong. There is no truth in their allegations that there were no requisitions.

Mr. Benidickson: Will the minister table the requisition he speaks of?

Mr. Fleming (Eglinton): I shall have reference to those requisitions right now. The terms of section 86 are to this effect:

(1) Where the amounts standing to the credit of the unemployment insurance fund in the consolidated revenue fund are not sufficient for the payment of benefits under this act, the Minister of Finance, on the requisition of the commission, may, . . .

(b) on the security of such obligations, credit further amounts to the unemployment insurance fund . . . on such terms and conditions as the governor in council determines.

When speaking in this house on second reading on May 14, I gave the house full information concerning the two orders in council which gave authority to the Minister of Finance to make these advances to the unemployment insurance commission and determine the terms and conditions upon which those advances should be made. The act does not say that those requisitions must be in existence before there is any approval given. It says that the Minister of Finance may, on receiving the requisition of the commission, make advances on terms approved by the governor in council. That was done. The terms of the statute were observed literally and in the spirit.

Mr. Chairman, there was a series of requisitions on this subject. The first of these came to the Department of Finance from the unemployment insurance commission properly transmitted through the chief treasury officer of the unemployment insurance commission. The first of these was on April 3 and it reads as follows:

In accordance with authority contained in order in council P.C. 1959-383, dated April 2, 1959, will you kindly arrange to grant the unemployment insurance commission a loan of $10 million on April 7, 1959.

That was the first requisition and the others were in the same form. There was a requisition—

Mr. Benidickson: That was after the loan decision was made.

Mr. Fleming (Eglinton): These hon. members evidently still have not read the statute, and they are back in the same position and labouring under the same confusion and mental fog as they were in the debate on second reading. The act says that the Minister of Finance may on requisition from the commission make loans to the commission. In each case where a loan was made by the Minister of Finance to the commission, a requisition was received from the commission. No loan was made to the commission without the proper requisition from the commission being first had and obtained.

Mr. Martin (Essex East): The hon. member has just indicated that that is not the case.

Mr. Fleming (Eglinton): I have just indicated that that is the case, and the hon. member for Essex East is just going round either in a deplorable mental fog, or he is still engaging in utter recklessness in these misleading statements which simply pour from him at any time he rises in this house to speak about unemployment insurance. We have adhered to the statute to the letter. I think it is quite clear, that the hon. member for Essex East evidently does not wish to know what the statute provides because it cramps his freedom in saying these foolish and misleading things which we have now come to expect from him.

I proceed now to the next of the errors, those numerous and egregious errors, of the hon. member for Essex East. The last one is to be found at page 4802 of yesterday's *Hansard*, and here he was saying that the Minister of Finance had applied some pressure on the unemployment insurance commission to persuade the commission to acquire bonds of the Canadian National Railways bond issue of January, 1958. Mr. Chairman, there is not a word or tittle of truth in the statement made by the member for Essex East in that regard. At no time have I ever made a suggestion or

a hint to the members of the investment committee under the Unemployment Insurance Act as to how they should proceed to invest. They have a trust laid upon them by parliament and it is to parliament that they are responsible for the discharge of that responsibility. Never have I interfered in the slightest degree with their right, their freedom and their responsibility to make the investments that commend themselves to that very capable and competent investment committee acting pursuant to the terms of this enactment of parliament.

Mr. Benidickson: On this point, Mr. Chairman, would the minister indicate if the Bank of Canada is not his agent in the matter of sales not only of government of Canada bonds but government of Canada guaranted bonds?

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member knows quite well that under the provisions of the Bank of Canada Act the Bank of Canada is the fiscal agent of the Minister of Finance. But what has that to do with the matter now under discussion? The situation was the same when the former government was in office.

Mr. Benidickson: I said that in the industrial relations committee.

Mr. Fleming (Eglinton): The situation was exactly the same when the hon. member for Kenora-Rainy River was parliamentary assistant to the minister of finance, and we did not hear then any of this silly, vapid talk about any incompatibility of the functions of these very competent men. I think the government can consider itself fortunate that it has in the investment committee under the Unemployment Insurance Act three men of the competence of those who now constitute that committee. I do not know how the public interest could be more competently served than it is by those men.

I wish to refer to the attempts made by the hon. member for Essex East and the exhibition he put on in the industrial relations committee, making long speeches under the guise of asking questions of the governor of the Bank of Canada when he appeared as a witness on June 8. It was an exhibition of which I am sure only the hon. member for Essex East among all hon. members of this house is capable.

Mr. Benidickson: My hon. friend is too modest. I can remember him recently in past days.

Mr. Fleming (Eglinton): Well, however it may be, I think the hon. member for Essex East is in a class by himself when it comes to putting on these matinee performances. He is pre-eminent as a matinee star in this House of Commons, and I was told he was at his matinee best in his conduct in the standing committee on industrial relations. He did not give the witnesses a chance to answer questions; he just went on making long speeches. This was the way he asked his questions; it was a series of propaganda harangues. Mr. Coyne had at least an opportunity to get a word in once in a while, sufficient at any rate to enable him to make it crystal clear that all the nonsense the hon. member for Essex East had been talking about bond values, conversion loans and investments, had nothing whatever to do with the circumstances which gave rise to the necessity of introducing this bill; that is simply a matter of equating the contributions to the fund with the outgo from the fund on the basis of a five-year average, which is a sensible spread.

Therefore, Mr. Chairman, I say to you that we have had to listen in this house to a compound of one false charge upon another brought by the hon. member for Essex East, and in the speech he made last night I do not think there is one thing he had to say that had any basis in fact, that had any relationship whatever to the responsibility of the government. He has just recklessly put aside the facts here and engaged in a series of charges which has not behind them the slightest tittle or basis of truth.

Mr. Benidickson: Now the debate will start all over again.

Mr. Martin (Essex East): I am sure that my friend the Minister of Finance, after the many fine tributes he has paid to the member for Essex East, would expect that hon. member to acknowledge those tributes in a spirit of gratitude.

They touch me so deeply, I must say, as to be almost beyond my ability to properly acknowledge them. I thank the minister for his high estimate of my worth—

Mr. Fleming (Eglinton): I overestimated it.

Mr. Martin (Essex East): I only wish I could reciprocate but I find that the hon. gentleman in this particular matter, and particularly in the highly emotional state of his last utterance, is not deserving of reciprocity.

I hope the Minister of Finance will not think I am ungrateful or that I do not fully appreciate his own high motives. I can only say to him that notwithstanding his tributes, we in the opposition feel we have an obligation not to be unduly influenced by bouquets of this sort, and that we should continue to discharge our duty as we see it. As the hon. member for Kenora-Rainy River has indicated, this most unusual interruption from the Minister of Finance, who has learned the

art of being phlegmatic, has dodged continuously the real issues of the indictment which members of the opposition have made against this administration.

The Minister of Finance has not, of course, taken the committee into his full confidence, and I hope he will do me the honour of listening to what I have to say, because I think he should reflect carefully on what I am going to tell him. The real reason for the hon. gentleman's outburst of impatience for his undue sarcasm, for his use of words the meaning of which he has not fully comprehended is, I am sure, because the hon. gentleman is in this particular matter charged, by implication, with having failed in his budget to disclose to this nation the full obligation which he intended to impose by way of additional taxation. That is the reason for the hon. gentleman's impatience and concern today.

The hon. gentleman brought in a budget in which he imposed some $350 million of taxation on the people of Canada, notwithstanding the fact that his government and he himself had promised to reduce taxation without disturbing existing benefits. Having done that, a few days later through this bill, the hon. gentleman, resorting to back door tactics, imposes, or seeks to impose by this method, without raising any benefits and without changing the pattern of benefits under the Unemployment Insurance Act, an additional burden on certain groups of taxpayers in this country. I am sure this act of the Minister of Finance has never been paralleled by any of his predecessors. The hon. gentleman laughs, and I know why he laughs. I know he does not like this. He did not like it when I mentioned this subject on a previous occasion.

When the Minister of Finance introduced his budget he should have told the country that within a few weeks the Minister of Labour intended to bring in this particular measure imposing an additional burden of taxation on the people of this country.

Mr. Fleming (Eglinton): Would the hon. gentleman permit a question? When he talks about this not having been done before, has he completely overlooked that this was precisely what was done when the Unemployment Insurance Act was introduced by a Liberal minister and that when it was amended by Liberal ministers, on every occasion it was not introduced as part of the budget but was kept quite separate from it and was not referred to in the budget?

Mr. Martin (Essex East): The hon. gentleman usually seeks to clothe his arguments with some material. All he does now is to wear an old coat, and that old coat does not appear well on him. The minister does not answer one argument by a denial. That is all he has done. I remind him that we have made certain charges against this government predicated on the fact that we are disturbed by this particular bill which imposes on the workers and employers of this country a responsibility which we believe belongs to the government, a responsibility which this government is not discharging. That is the reason for our concern, and the reason we have gone into the operations of the investment committee was that we feel that certain decisions taken by that investment committee have resulted in actual and in-book losses in the security holdings of the unemployment insurance commission, and because of that circumstance this government, faced with a fund which is in a perilous state, has had to find methods of restoring the fund to a financial state which will permit the characterization of it to one no longer in a perilous state. That is why we have referred to the operations of the investment committee.

There is nothing we on this side of the house have said which warrants the implication by the hon. gentleman that there is no appreciation of the competence of the personnel of the investment committee. We have acknowledged their competence. As he said, we were responsible for their appointment, and the former government would not have made these appointments if it had not felt that the men appointed were competent individuals. That is not the point. The point is that the policies of the hon. gentleman, his policies as Minister of Finance, have placed the members of the investment committee in a most difficult position. Any incompatibility about which we have spoken has arisen because of the financial policies of the hon. gentleman, and he knows that what I am saying is the case.

Mr. Fleming (Eglinton): I know it is nonsense.

Mr. Martin (Essex East): The minister said that these members of the investment committee had been appointed by the previous administration and that if there is any blame attached to their operations and their judgment, then the government which appointed them should bear the responsibility for it. What the hon. gentleman forgets is that at no time when that investment committee was in existence during our administration did its duties conflict in any way with the general interests of the nation or the policy of the government.

Mr. Fleming (Eglinton): Will the hon. member permit a question? Is the hon. member forgetting that the values of bonds

in the market were dropping from 1955 to 1957; in other words, that throughout the last two years of the government of which the hon. gentleman was a member the same situation faced the investment committee as has faced it since?

Mr. Martin (Essex East): That is right. There is no denial of that. But that is not the question. It is a characteristic speech gratuitously uttered by the Minister of Finance, and he has missed the point. And that is the sad thing about this whole situation—that he does not understand the point which is involved in the very serious criticism which causes him at this moment such laughter at a time when it should be causing him serious consideration—

Mr. Fleming (Eglinton): I am laughing at you.

Mr. Martin (Essex East): —and when he should be indicating to the country that he is really concerned about the problems and welfare of the people instead of treating this matter in the cavalier manner in which the hon. member for Eglinton, the Minister of Finance, is treating it now.

What the hon. gentleman fails to realize is that the previous administration did not present the investment committee with a situation involving a huge deficit. It did not present the investment committee with a situation where there was an extremely high level of unemployment causing an unusually large drain on the fund. What the hon. gentleman has not pointed out was that the previous government did not embark on a program of bond conversion which was contrary to the interest of the unemployment insurance fund.

Mr. Fleming (Eglinton): Nonsense.

Mr. Martin (Essex East): My hon. friend says "nonsense".

Mr. Fleming (Eglinton): I certainly do.

Mr. Martin (Essex East): Let us see how much nonsense there is in this. My hon. friend introduced his bond conversion scheme. Under that scheme he and the Prime Minister in addresses to this house and at Canadian clubs and at organizations of all kinds and over television using every conceivable vehicle urged the people of Canada to convert victory bonds into the bond conversion scheme.

Mr. Fleming (Eglinton): That is more of your imagination.

Mr. Martin (Essex East): The Prime Minister joined my hon. friend in this great outflow of Eglintonian rhetoric.

[Mr. Fleming (Eglinton).]

Mr. Fleming (Eglinton): I did not appear before any groups of women or Canadian clubs.

Mr. Martin (Essex East): The Prime Minister joined with my hon. friend in urging the Canadian people to convert their bonds into this scheme to which the Minister of Finance has been dedicated. I am not arguing this point now but while my hon. friend may claim that the bond conversion scheme was a desirable operation I say that it was not desirable for the investment committee to convert the 5th, 6th, 7th, 8th and 9th victory bonds in the amount of over $300 million under that scheme. Certainly it was desirable that the fund should have remained liquid because there was going to be a heavy drain on the fund. What I say my hon. friend by his program caused the members of the investment committee to do because of the dual position in which they found themselves was to invest in long term securities that were not at that time in the interests of the unemployment insurance fund.

Mr. Fleming (Eglinton): They made a free decision.

Mr. Martin (Essex East): My hon. friend says they made a free decision.

Mr. Fleming (Eglinton): They certainly did.

Mr. Martin (Essex East): Let us see how free that decision was. Here the deputy minister of finance by virtue of his office must have been associated as the loyal servant he is with the Minister of Finance in the prosecution of the bond conversion scheme; a member of this investment committee in one particular status urging the people of Canada to convert their bonds and in another capacity as a member of the investment committee being called upon to consider the extent to which he as one member of that committee should participate in long term investments of the unemployment insurance commission. How was he a free agent? If the deputy minister and the governor of the bank had invested those securities in short term securities, as they should have, in treasury bills, or if they had sold them on the market—a market which at that time was supported by the Bank of Canada—they would have, I am sure, run into the criticism of the Minister of Finance who with respect to the largest trust fund in our country would have said, "How can you justify not investing this money in the bond conversion scheme when we, including you, are urging the people of Canada so to do? How can you justify putting these securities into anything other than the bond conversion scheme?" The Minister of Finance says that these officials

were free agents. I say they were not free agents. I say they were confronted with a conflict of interests and a conflict of duty, a serious conflict that should have been removed by the Minister of Finance.

Mr. Grafftey: How?

Mr. Martin (Essex East): How? I have already indicated that. It could have been removed by coming to parliament and amending the act thereby releasing these highly competent individuals from the conflict of interests which confronted them as a result of the policy of bond conversion of my hon. friend.

Mr. Fleming (Eglinton): May I ask my hon. friend a question?

Mr. Martin (Essex East): My hon. friend says I was absolutely wrong in attributing in any way his having anything to do with the decision made by the investment committee to invest some $15 million or $17 million in the 1958 $300 million Canadian National Railways issue.

Mr. Fleming (Eglinton): May I ask the hon. member a question before he leaves that point?

Mr. Martin (Essex East): What are the facts of that? Let us examine the situation in detail.

Mr. Fleming (Eglinton): Before my hon. friend leaves the conversion loan and the decision of the investment committee to convert its holdings of victory loan bonds into the conversion bonds, would he permit a question? The hon. member will recall that this occurred last summer while parliament was in session. With the foresight that he has enjoyed why did he not at that time raise this question in parliament while the conversion loan was in progress? Why did he not raise this question as to the alleged incompatibility of interests? Why did the hon. member wait for a year to do that, Mr. Chairman?

Mr. Martin (Essex East): Mr. Chairman, I do not mind my hon. friend putting questions to me but I do not want him to make any more speeches. The reason I hesitated to answer his question is that every question he asks is in the form of a speech. I will answer the hon. gentleman's question right now concerning why I did not do it last year. I will tell him.

Mr. Fleming (Eglinton): Yes, with all your foresight.

Mr. Martin (Essex East): If I had had the information that the members of the investment committee had and if I had had the information about government policy that was in the mind of my hon. friend I would certainly have unhesitatingly recognized that there was a conflict of interest between the bond conversion scheme and the interests of the unemployment insurance fund, and I would have come into this house and urged that section 20 of the act be amended so that it would be possible for this house to authorize the government to nominate members of a committee that would be free from any conflicting interests. I certainly would have taken that course.

My charge and my indictment against the Minister of Finance in particular is that he did not take that course. Instead he left the members of the investment committee in this very difficult position where they had conflicting interests and conflicting obligations. As a result of that investment—whether or not my hon. friend considers a book loss important—the fact is that in addition to the realized loss of over $10 million there is this unrealized book loss of $62 million and that represents a serious situation because this fund must at all times, particularly in the face of heavy unemployment, be in a liquid position so that the contractual obligations of the unemployment insurance commission could be performed for the benefit of the insured working population of Canada.

As a result of the investment in this bond conversion scheme, not only have there been these losses but these securities are tied up away beyond the time accorded certain large corporations in this country. Certain corporations in Canada participated in the bond conversion scheme at the outset but there is one corporation, and the minister knows the name of that one, which in spite of its heavy investment was permitted to retire from the bond conversion scheme and invest its securities in shorter term securities and in some cases to actually sell its bonds on the open market receiving 100 because the price of the victory bonds at that time during the months of July and August, September and October, 1958, was supported by the Bank of Canada.

Mr. Fleming (Eglinton): Mr. Chairman, that simply is not true. The hon. member has made a serious statement which is completely untrue. Any person, or any corporation—or anybody—who subscribed and signed a binding subscription for conversion loan bonds was called upon to carry out the contract. There were no exceptions made. The innuendo and the statement we have just heard are baseless and represent another false charge.

Mr. Martin (Essex East): My hon. friend suggests that I am advancing a false charge. I ask him at this time if he will deny that some time between the months of July and

August, September and October, a large insurance company in this country that had decided to participate in the bond conversion scheme was able to extricate itself from that obligation and with the proceeds representing almost 100—because the price was supported by the Bank of Canada—was able to re-invest its securities in other forms of investment? Will the minister deny that that is the case?

The Chairman: Order. I must remind hon. members that we are discussing the Unemployment Insurance Act and this present discussion is completely out of order.

Mr. Martin (Essex East): Mr. Chairman, with great respect I say that it is in order.

Mr. Fleming (Eglinton): Mr. Chairman, in view of the very serious statement the hon. member has just made let me say that if he is saying to me that anybody or any corporation, insurance or otherwise, was permitted to withdraw from a binding contract, there is no truth whatsoever in his statement.

Mr. Martin (Essex East): We shall see as to whether or not there is validity in what I say.

The Chairman: Order. The question has been asked and answered. I still declare that this debate is out of order.

Mr. Benidickson: Mr. Chairman, on a point of order, may I simply say this. If you examine the minutes of the industrial relations committee which examined this bill you will see that the investment committee was called before that committee for examination of the investment of this very substantial fund. The interest earnings alone are a very considerable factor in connection with the establishment of rates, assessments, benefits and everything else. Some $270 million of earnings on interest alone have resulted from the investment portfolio. I simply must point this out to you, because I think you have overlooked the fact that this was pertinent to the committee which held the investigation.

Mr. Martin (Essex East): Mr. Chairman, before the end of this debate I shall show whether my statement is without foundation.

Mr. Fleming (Eglinton): I can tell you right now it is without foundation.

Mr. Martin (Essex East): I give my hon. friend the opportunity to examine not only it but other cases as well. My hon. friend will recognize that in the month of September—I think on September 15—some $17 million worth of the commission's participation in this bond conversion scheme was sold at a satisfactory price supported by the Bank of Canada. If that was possible on September 15, it was possible on a program basis in between, let us say, early in July and the end of October. If that course had been followed the fund would have appreciated; there would be more money in the fund now and it would not have been necessary perhaps for the government to come to parliament and ask that we increase contributions on the workers of this country from 25 per cent to 56 per cent in order to keep this fund in a replenished state.

My hon. friend diverted me from the C.N.R. issue. I asked him the day before yesterday, when we were discussing the financing of the C.N.R., whether or not any decision taken by the board of directors of the C.N.R. with respect to borrowings it proposed to make were as a result of collaboration and concurrence by the Minister of Finance and he replied yes. Therefore, my hon. friend knew of the decision of the board of directors of the Canadian National Railways to float this issue—

Mr. Fleming (Eglinton): Of course.

Mr. Martin (Essex East): —in January of 1958. My hon. friend says "of course". Now, last year—

Mr. Fleming (Eglinton): You surely do not think I would give a guarantee without knowing about the issue?

Mr. Martin (Essex East): Of course he knew about this. I presume there was a meeting between the president of the Canadian National Railways and the minister or some other appropriate officer of the Department of Finance. I say the facts are that that issue was not popular when it was offered.

Mr. Fleming (Eglinton): You do not know what you are talking about.

Mr. Martin (Essex East): My hon. friend can deny it. I say these are the facts. This issue was not one that was readily taken up and—

Mr. Fleming (Eglinton): You just do not know what you are talking about.

Mr. Martin (Essex East): —when the unemployment insurance commission decided to invest $15 million in that issue, they took a loss—because a year later the bonds sold at around $85 and $89—that could have been avoided. I suggest that one of the reasons why the unemployment insurance commission securities were invested in that particular issue was for the same reason that the securities of the unemployment insurance commission were placed in the bond conversion scheme of my hon. friend. I say, in the first place, there was participation in the bond conversion scheme because that was regarded as one way to stimulate, to

encourage and to popularize this controversial bond conversion plan. The reason that $15 million of the unemployment insurance commission securities was invested in the C.N.R. issue at 4 per cent, maturing in 1980, was that that was an unpopular issue and it would have popularized it for the public to have known that funds contributed to by workers and by the employers of this country were being invested in the C.N.R. issue.

Mr. Fleming (Eglinton): You do not know what you are talking about.

Mr. Martin (Essex East): I say further that when the minister concurred in the decision to have this loan he must have had knowledge of the intention of the investment committee to make this investment.

Mr. Fleming (Eglinton): I did not.

Mr. Martin (Essex East): It was a bad investment.

Mr. Fleming (Eglinton): At the time of the approval of the C.N.R. loan?

Mr. Martin (Essex East): Yes.

Mr. Fleming (Eglinton): Well, I did not.

Mr. Martin (Essex East): My hon. friend says he did not. I accept his word; I have no other course. If he says he did not I believe him; but I say the facts are so significant in their implications as to cause one to wonder greatly whether or not the unemployment insurance fund has been used to bolster up doubtful programs of finance, which were very close to the heart of this government, and particularly to the Minister of Finance. In any event, we have had our lesson. The Minister of Finance sees the situation now. He knows that there is conflict of duty and function. Whether he admits it or not there is a conflict of interest between the members of the investment committee when the same gentlemen are participants in the debt management policy of this government.

Mr. Fleming (Eglinton): I just denied it.

Mr. Martin (Essex East): My hon. friend denied it. The more denials he makes the more ridiculous he makes himself in this particular situation. Here we are asking for further contributions from the employers and the workers because of bad judgment in the investments of the unemployment insurance commission, as well as other contributing circumstances.

Mr. Fleming (Eglinton): That is absolutely untrue.

Mr. Martin (Essex East): My hon. friend says that is not true. That is no argument. I am stating the facts here.

Mr. Fleming (Eglinton): You are making ridiculous statements and utterly untrue statements.

Mr. Martin (Essex East): I am trying to show why this government is trying to saddle the people of this country with a form of hidden taxation not disclosed in the budget in order to relieve this government of responsibilities which it should be courageous enough to shoulder. That is the situation.

Mr. Fleming (Eglinton): I would not be permitted in this house to say what you are trying to do.

Mr. Martin (Essex East): If the members of the two opposition groups had not persistently in the committee, in the face of great opposition, in the face of great obstruction, sought to elicit some of these facts we would not have been able to demonstrate to the Canadian people why this bill is so inadequate and undeserving of support. No wonder the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Canadian Labour Congress, les syndicats catholiques, and the director of the united automobile workers and others have protested against this bill. They have protested against this bill because it represents one of the unfairest and most ill-conceived propositions ever put before parliament by a government of this country.

Mr. Fleming (Eglinton): Mr. Chairman, I hope it will be fully appreciated by the members of the committee just what it is that the member for Essex East has been saying. I offer the committee this extract from the evidence of Mr. Coyne, the chairman of the investment committee, given to the standing committee on industrial relations, in part, on page 363 of the committee's proceedings of June 9. Here is what Mr. Coyne had to say to the committee about the work of the investment committee:

> We did what we thought was in the best interest of the fund, and we have done this throughout the period when we, or our predecessors, have been acting as an investment committee for the fund.
>
> The fund is not one which can quickly, or in large volume, switch out of one kind of security into another. There are times when it seems desirable to do that, but usually it can only be done on a limited scale without taking a loss, or indeed having an adverse effect on the market.
>
> In the circumstances, it is our opinion we did what was in the best interests of the fund as we saw it from day to day, week to week, month to month and so on, over this period.

The member for Essex East says that the committee should not have converted their

bonds. The fact is, Mr. Chairman, if they had not converted their bond holdings of the remaining victory loan issues, the fifth to ninth inclusive, their holdings would be worth much less today than are the conversion bonds into which the committee converted its holdings. Moreover, they have by that conversion added 1¼ per cent per annum to their interest yields on their holdings of those bonds, and that is a very substantial gain to the unemployment insurance commission. The fact remains—

Mr. Martin (Essex East): Will my hon. friend permit a question?

Mr. Fleming (Eglinton): With pleasure.

Mr. Martin (Essex East): Will my hon. friend say that if the securities amounting to $300 million had been sold on the open market at a time when these bonds were backed by the Bank of Canada they would not have yielded a greater principal and income return than the situation that now exists?

Mr. Fleming (Eglinton): That would depend entirely, of course, on what was done with the proceeds. This is what the hon. member for Essex East does not face up to. He says, "Oh well, the investment committee should have foreseen that the values of all bonds were going to drop in the markets of this country and of the United States and therefore they should have sold them in the summer of 1958". What would they have done with the money? You see, Mr. Chairman, evidently he is assuming that the money lies idle or that at some time or other it would have been invested in something more profitable. He has made a series of assumptions of that kind—

Mr. Martin (Essex East): Does my hon. friend—

Mr. Fleming (Eglinton): —and if the hon. member for Essex East has that kind of foresight in relation to the bond market then he is either a mighty success in the bond market himself or he is depriving himself of the legitimate fruits of a foresight that is not possessed by any other person in this country. I do not think that the people of this country—

Mr. Martin (Essex East): Will my hon. friend permit a question? My hon. friend overlooks the fact that the unemployment insurance fund does not have the status of a private investor. There were reasons why the fund should have cash on hand. It had heavy obligations to meet. Thousands were out of work as a result of the policies of the government. That is why they should have been in a liquid state. My hon. friend says, "What would they do with the cash?" They would have given that cash to the unemployed in our country in accordance with contractual obligations.

Mr. Fleming (Eglinton): Mr. Chairman, does your mind carry you back five, ten or fifteen minutes ago when the hon. member for Essex East complained that when I asked him simple questions I was introducing statements? It is very interesting now to sit back here and listen to him ask a question which is but one more declamatory speech full of the same kind of errors and misleading propaganda as practically all his interventions in this debate and quite on a par with the way he conducted his questioning in the standing committee on industrial relations.

I tell the hon. member again that the transactions on the part of the investment committee in 1957, 1958 and 1959 have nothing whatever to do with the bill. They have nothing whatever to do with the reasons for coming to parliament for the enactment of this bill. If the bond market had not weakened this measure would still be here because it was necessary to bring into balance measured over a reasonable period of time, in this case the last five years, contributions to the fund and outgo from it, and nothing that the hon. member for Essex East has said in these aberrations of his will change that fact.

Mr. Benidickson: Is the Minister of Finance going to be with us tomorrow as we continue discussion of this bill? I have a few questions.

Mr. Fleming (Eglinton): Why not go ahead and ask them?

Mr. Benidickson: I will indeed but I was wondering how much we would get from the presence of the Minister of Finance and his interventions in the debate. He made the point in connection with some of the references to section 86 that there had been no interference with the investment committee with respect to acquisitions. With respect to the decision to sell or not to sell, on that point it seems that the cabinet has in this case intervened with respect to a decision not to sell and has completely avoided the advice of the investment committee. We heard the governor of the Bank of Canada state in the standing committee that he was not consulted about this matter by the unemployment insurance commission. Did the Minister of Finance consult him when he had the responsibility for taking to his colleagues in the cabinet a decision of this import, a decision to lend $80 million involving the question of whether or not that was the right thing to do as opposed to selling Dominion of Canada securities? Did the Minister of Finance consult the governor of the Bank of Canada?

Mr. Fleming (Eglinton): As the governor of the Bank of Canada pointed out in his testimony before the committee, the investment committee has nothing whatever to do with operations under section 86. Their responsibility is with regard to investment. The responsibility created by section 86 is on the commission, the Minister of Finance and the governor in council whenever there is a question of a loan by the Minister of Finance to the unemployment insurance commission.

Mr. Benidickson: We have been discussing this question of dual responsibility. As one of the members of the investment committee with a responsibility established by parliament, Mr. Coyne said that he had nothing to do with the decision to sell or refrain from selling securities of the unemployment insurance fund. In his other capacity as governor of the Bank of Canada, a capacity which we have suggested might at times be incompatible, did the Minister of Finance consult the governor of the bank when a decision had to be made by the cabinet with respect to whether or not securities of the fund should or should not be sold?

Mr. Fleming (Eglinton): I do not recall having any discussion with the governor of the Bank of Canada about the question of loans by the Minister of Finance to the unemployment insurance commission. I have said already that the investment committee has nothing to do with that question.

Mr. Benidickson: It was with respect to his other capacity that I asked the question.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Is there any change in the plans for tomorrow?

Mr. Green: No, Mr. Speaker. We will continue with this debate and then take the estimates of justice.

Mr. Pickersgill: They will be followed by veterans affairs?

Mr. Green: That is right.

Mr. Pickersgill: There will be no finance estimates this week?

Mr. Green: That is right.

Mr. Martin (Essex East): Can the Minister of Public Works say whether the Minister of Finance will be here tomorrow?

Mr. Green: It would seem that the hon. member for Essex East has lost his courage and is not willing to ask the Minister of Finance himself.

Mr. Martin (Essex East): He will not talk to me.

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

Questions

ANSWERS TO QUESTIONS

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

OPENING OF TRANSPORT TERMINAL, GANDER—OFFICIAL ATTENDANCE

Question No. 465—**Mr. Argue:**

1. Will an official party be sent from Ottawa to attend the opening of the Department of Transport terminal in Gander, Newfoundland, the week of June 15th, 1959?

2. If so, what is the name of each person, their position with the government, in what department?

3. By what means will the members of the party travel to Gander, on what date do they leave and on what date do they return?

4. What is the estimated cost of the travelling expenses to be incurred, and by what agency will they be paid?

5. What accommodation has been provided for the members of the official party at Gander, and for what length of time?

6. What is the estimated cost of this accommodation and by what agency will it be paid?

7. What is the estimated cost of the official reception opening the Gander air terminal and by what agency will this be paid?

8. Will there be any persons travelling with the official party who are not attending the opening of the Gander terminal in an official capacity?

9. If so, what are their names, the reasons for inclusion in the official party, what is the cost of their transportation and accommodation, and by whom will this be paid?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. Hon. George Hees, Minister of Transport, and Mrs. Hees. J. R. Baldwin, deputy minister of transport. A. de Niverville, director general of air services, Department of Transport. J. R. K. Main, director of civil aviation, Department of Transport. H. C. Connolly, director, construction branch, Department of Transport. W. A. Ramsay, chief architect, Department of Transport. F. G. Nixon, director of telecommunications, Department of Transport. Dr. Andrew Thomson, meteorological services, Department of Transport. Mr. H. A. L. Pattison, civil air and communications attache, office of high commissioner for Canada, London, former director of civil aviation for commission government of Newfoundland and former manager of Gander airport, and Mrs. Pattison. Mrs. R. Taylor, associate private secretary to the Minister of Transport.

3. D.O.T. aircraft departing Thursday afternoon, June 18, and returning Friday evening, June 19.

4, 5 and 6. Expenses other than transportation will be reported in normal manner by departmental officials concerned. No special accommodation has been provided.

7. Treasury board authorized an expenditure up to $1,250 by Department of Transport.

8 and 9. Hon. George C. Marler, who was minister of transport during earlier construction of the new terminal building at Gander, and whose expenses at Gander will be his own private concern.

APPENDIX A

CHICAGO DIVERSION—NOTE FROM U.S. GOVERNMENT

Excellency:

I have the honour to refer to your note No. 184 of April 9, expressing the concern of your government with regard to legislative proposals to increase the diversion of water from lake Michigan at Chicago, which are now pending before the United States congress.

The department transmitted copies of this note to the committee on public works of the United States Senate on April 16. Additionally, the department has been giving careful study to its contents with particular regard to the allegations therein that certain enumerated agreements and understandings between the United States and Canada would be broken should unilateral action be taken to increase the diversion from the great lakes watershed at Chicago. It is to be noted in this connection that the department is not in accord with all of the points made by your government in the aforesaid note and consequently must reserve its position with respect to those allegations of a legal nature contained therein.

The department considers that further consultation between representatives of our two governments might prove useful. Accordingly, we would be pleased to receive the views of your government on the desirability of such consultation taking place in the near future.

Accept, Excellency, the renewed assurance of my highest consideration, for the acting secretary of state:

Ivan B. White

June 12, 1959

HOUSE OF COMMONS

Thursday, June 18, 1959

The house met at 11 a.m.

PRIVILEGE

MR. MARTIN (ESSEX EAST)—REFERENCE TO REMARKS IN DEBATE ON JUNE 17

Hon. Paul Martin (Essex East): I rise on a question of privilege. In today's unrevised edition of *Hansard* at page 4829 I am correctly reported as having said:

The Prime Minister referred to this same judgment as an alleged finding. No prime minister—

Then there was an intervention by the Prime Minister:

An alleged finding?

After which I continued:

The Prime Minister's words are there to be scrutinized and observed by everyone. The Prime Minister said that. While this might be understandable in the mouth of a lay prime minister, it certainly is not proper for the Prime Minister, a distinguished advocate in the criminal courts of our country, to refer to a finding of a judge as an alleged finding. Whether we agree with the decisions of our courts or not, once those decisions are made then unless appealed they must not be referred to in the language used by the Prime Minister as "alleged findings."

At page 4827 of the unrevised edition of *Hansard* now on our desks the following words are given as being the words in the concluding part of the Prime Minister's speech of yesterday:

—a charge on the basis of his opinion and belief with respect to the alleged findings of wrongdoing by a judge.

My question of privilege is that this change in the unrevised edition of *Hansard* alters the meaning of what I said. What the Prime Minister said was "a charge on the basis of his opinion and belief in respect to the alleged findings of a judge in that direction." These were the words I took down as being the words uttered in this house yesterday by the Prime Minister. I find that this is confirmed by some of my colleagues who likewise took down the Prime Minister's words. But lest there be any doubt in the matter I have yesterday's *Hansard* blues which confirm what I myself took down and which read as follows:

A charge on the basis of his opinion and belief with respect to the alleged findings of a judge in that direction.

Mr. Speaker: I suggest that the matter be left at this point, as the Prime Minister should have an opportunity to comment on it, and he is not in his place, and is involved in the point of privilege raised by the hon. member.

STANDING ORDERS

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. J. W. Kucherepa (High Park) presented the seventh report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

ATOMIC ENERGY

ANNOUNCEMENT OF CONSTRUCTION OF ATOMIC POWER STATION

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, Atomic Energy of Canada Limited is to begin immediately the final design and to plan for early construction of a large scale atomic power station. The plant is estimated to cost about $60 million exclusive of design and development costs, and could be completed and in operation late in 1964 or early 1965, at a site yet to be determined.

Known as CANDU, Canadian deuterium uranium, the power station will produce 200,000 kilowatts of electricity and will use a natural uranium-heavy water system. It will be similar in general principles of operation to the NPD—nuclear power demonstration—atomic power station which is now under construction near Rolphton, Ontario, as a joint project of A.E.C.L., Ontario hydro and Canadian General Electric Company Limited. The NPD station will produce 20,000 kilowatts of electricity when it goes into operation in 1961.

In February, 1958 A.E.C.L. was authorized to establish a nuclear power plant division in Toronto to carry out design and development studies for a large scale power plant. This was to be an advanced stage of the work that was previously done in a CANDU feasibility study at Chalk River during 1957. The work of this division, together with results of development work at Chalk River and the design work on NPD done by the Canadian General Electric Company Limited in Peterborough, has increased the confidence of the engineers and scientists involved in these

programs to the point where they are convinced that a large scale natural uranium-heavy water atomic power station offers the best promise of producing economic atomic power in large base load units in a public utility in Canada.

In addition to substantial support in the design of this CANDU station, Ontario hydro will provide a site, co-operate in its construction, and operate it as a unit in its power distribution system. Ontario hydro will buy the power produced and will purchase the plant when it has demonstrated that it has suitable characteristics for hydro's power system. The formula for the purchase price would permit production of power from CANDU that is competitive with the cost of power from modern, coal-fired power plants of a similar size.

The increase of confidence of Canadian scientists and engineers in the possibility of success in achieving economic power with the natural uranium-heavy water system, coupled with the growing need for a new source of power and for markets for uranium, resulted in a decision to go ahead with the CANDU plant sooner than was planned early in 1958.

In some areas of Canada, particularly southern Ontario, the hydraulic sites remaining to be developed are limited. Thus there will be an increasing dependence upon coal-burning stations. Ontario hydro has estimated that if nuclear generated electricity were not available at a competitive cost by 1980 it would have to be importing from the United States 26,500,000 tons of coal annually at a cost of some $300 million.

Other areas in Canada will also need to supplement their present sources of power in the coming years, in order to meet the continuing growth in the demand for electricity. For example, by the late 1960's Manitoba and the maritimes may be considering installing large power stations of the 100,000 to 200,000 kilowatts size. The utilities which foresee a potential application of nuclear power in their systems are interested in the construction of a large nuclear power station at an early date so there will be a proven unit when their requirements materialize.

Although only about 75 tons of uranium will be required for an initial fuel loading of CANDU, an amount relatively insignificant when the size of Canada's uranium production is considered, nevertheless as economic nuclear stations are demonstrated the possibility is increased that they will be installed around the world, thus opening up a substantial non-military market for uranium.

Mr. J. M. Forgie (Renfrew North): I am glad to hear this news from the Minister of Trade and Commerce and I suggest to him that the logical place to put this plant is beside the plants at Deep River or Rolphton. The hydro-electric power commission developed at Des Joachims about 450,000 horsepower, and that energy was directed to southern Ontario so the natural heritage of the section of the country that I represent was taken away from us. Here is an opportunity, because of the shortage of power in our section of the country and because we are anxious to secure industry, to divert part of this power from the transmission lines going to southern Ontario and other parts of Ontario and retain it in my section of the country, which is Renfrew county. I should be very happy indeed if the minister would consider this situation and see whether he cannot do something to assist us to secure further industry.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this group listened with great interest to the very important statement just made by the Minister of Trade and Commerce, a statement of national importance and of growing importance in the years to come. We are very pleased to hear of this development of atomic power for peaceful purposes and to know of the contribution that Canadian scientists are making to this development and the contribution this development will make to the economic advancement of Canada as a whole.

BUSINESS OF THE HOUSE

DISPOSITION OF MOTION OF LEADER OF THE OPPOSITION ON TODAY'S ORDER PAPER

Mr. Speaker: With respect to the motion standing in the name of the Leader of the Opposition, I trust it will be agreeable to the house if I render my decision on the point of order which was debated yesterday at the opening of the session tomorrow morning.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

SUGGESTED CHANGE OF NAME FROM DUCK ISLAND TO DULLES ISLAND

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the leader of the house whether the government is giving consideration, and it will perhaps require consultation with the provincial government concerned, to the changing of the name of Duck island in lake Ontario to Dulles island?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I will have to take that question as notice. I am not an expert on the names of islands, lakes and features of that kind.

Mr. Herridge: Is the minister ducking the question?

FINANCE

INQUIRY AS TO OVERSUBSCRIPTION OF NEW BOND ISSUE

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Finance. Was the recent loan involving $200 million in government of Canada bonds oversubscribed, and in what time?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, as was announced to the public this loan was fully taken up, and the allotments made of the two issues were as follows: 2¾ per cent bonds due April 1, 1960, $125 million; 3 per cent bonds due December 15, 1960, $75 million. As to the time, I may say that the announcement made on Monday morning when the wires were sent out in the usual course was that the books would open on Monday evening and would remain open until at least eight o'clock eastern daylight time on Tuesday evening. They were actually closed at 9.30 o'clock eastern daylight time on Tuesday evening. In that hour and a half subscriptions were still coming in, and it was to equalize conditions as between eastern and western Canada that the issue was closed at 9.30 Tuesday evening.

NATIONAL DEFENCE

REPORTED SIGHTING OF UNIDENTIFIED SUBMARINE OFF BRITISH COLUMBIA COAST

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of National Defence. I regret that I was not able to give him notice of it.

An hon. Member: We know why.

Mr. Fraser: That was the note that was passed down to you from above.

Mr. Drysdale: It may be a better question than usual.

Mr. Howard: I was just waiting for the noise to subside to say that my friend has given expression to his usual stupidity.

Mr. Fraser: Mr. Speaker, on a question of privilege—

Mr. Pickersgill: Nail it down.

Mr. Fraser: —this morning when we came in here not just one person but a dozen or more saw a note passed from the gallery above to the hon. gentleman.

Mr. Martin (Essex East): What is wrong with that?

Mr. Speaker: I am afraid there is no question of privilege involved in that. Will the hon. member ask his question?

Mr. Howard: Is the Minister of National Defence able to give the house any information regarding the reported sighting of an unidentified submarine off the coast of British Columbia?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, from time to time there are reported sightings of unusual objects off both the Atlantic and Pacific coasts of Canada. In all these circumstances an investigation is carried out by our naval and air forces.

Mr. Arnold Peters (Timiskaming): Have any of these investigations led to any information which would indicate that there are submarines of foreign nations operating in our waters?

Mr. Pearkes: In nearly every case these investigations have been carried out in parts of the ocean beyond the territorial waters of Canada. I am afraid I cannot give an answer to the hon. gentleman regarding the results of these investigations, as that procedure would be contrary to the public interest.

SHIPPING

MONTREAL-KINGSTON—REQUEST FOR APPROVAL OF PILOTAGE DUES

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I ask a question of the Minister of Transport or, in his absence, the acting minister of transport. He might take this question as notice. In view of the dispute between pilots of the Montreal-Kingston district and the shipping federation, why has not the minister had the pilotage dues approved by the governor in council as required by the Canada Shipping Act? Will the minister see that they are approved without delay?

Hon. Leon Balcer (Solicitor General): Mr. Speaker, I will take this question as notice.

HEALTH INSURANCE

NEW BRUNSWICK—INQUIRY AS TO INTENTION TO PARTICIPATE

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): I wish to direct a question to the Minister of National Health and Welfare. Since the New Brunswick minister of health was in Ottawa this week, can the minister advise the house whether an agreement has now been signed with New Brunswick under the Hospital Insurance and Diagnostic Services Act?

Inquiries of the Ministry

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the agreement has not yet been signed but negotiations are proceeding satisfactorily.

Mr. McWilliam: I have a supplementary question. Will the minister consider obtaining the concurrence of the New Brunswick provincial government with regard to tabling the documents in this matter?

Mr. Monteith (Perth): Yes, of course, Mr. Speaker. However, I think these agreements or copies of them are automatically tabled after they are signed.

Mr. Pickersgill: Not unless they are asked for.

QUEBEC—INQUIRY AS TO INTENTION TO PARTICIPATE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask a supplementary question of the Minister of National Health and Welfare. In view of the statement made by the premier of Quebec yesterday with regard to his view on hospital insurance, does the minister not think this might be a propitious moment for him to show the effectiveness of his initiative by seeking to persuade the premier of Quebec as to the desirability of Quebec's participation in the scheme of hospital insurance in Canada?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, this is one of the hon. member's usual lengthy questions. I think there was some intimation that there was a lack of initiative on the part of the minister?

Mr. Martin (Essex East): Yes.

Mr. Monteith (Perth): Thank you very much. I should just like to point out that more initiative has been shown by this department in the last two years than was shown in the preceding several years. Not having seen the article referred to by the hon. member, I shall withhold comment.

TRADE

RUSSIA—REQUEST FOR STATEMENT RESPECTING EXTENSION OF AGREEMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, might I ask the Minister of Trade and Commerce whether any progress has been made toward renewal of the trade agreement with the Soviet union which expired last February?

[Mr. McWilliam.]

Hon. Gordon Churchill (Minister of Trade and Commerce): Yes, Mr. Speaker. We have had a series of conversations with the representatives of the U.S.S.R. I hope very soon to be able to announce the conclusion of an agreement.

AUTOMOBILES—REQUEST FOR RECIPROCAL TREATMENT ON EXPORTS TO U.K.

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask a question of the minister. My hon. friend will recall that a few weeks ago I asked him a question about a trade agreement between the United Kingdom and the Soviet union under which the Soviet union was given the right of selling in the United Kingdom automobiles made in the Soviet union. I asked the minister whether he would not give consideration to taking steps toward providing at least the equivalent opportunity for sale in the United Kingdom market of automobiles manufactured in Canada.

Hon. Gordon Churchill (Minister of Trade and Commerce): Yes; consideration is always given to the hon. member's suggestions.

Mr. Martin (Essex East): Will we ever get any results? That is the point.

Mr. Churchill: We will get far better results than you were ever able to produce in this house.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS TO INCREASE RATES OF REMUNERATION AND CONTRIBUTIONS, ETC.

The house resumed from Wednesday, June 17, consideration in committee of Bill No. C-43, to amend the Unemployment Insurance Act—Mr. Starr—Mr. Sevigny in the chair.

On clause 1—*Repeal.*

Mr. McMillan: Mr. Chairman, I listened with great care to the evidence given in the committee on industrial relations by the governor of the Bank of Canada, by the deputy minister of finance and by others. I do not want to criticize anyone personally, but I cannot help but believe that the members of the investment committee of the unemployment insurance commission, by virtue of their positions there and in also directing the fiscal policy of our country, have a dual role. By nature of their positions in this dual capacity they cannot help but have duties which are in considerable measure diametrically opposed one to the other.

This position becomes more evident at a time when we have a falling bond market, and at a time when it is difficult for the Minister of Finance to dispose of bonds to

the public. The fund contains many government bonds, and according to Mr. Coyne at one time there were more bonds in this fund than in all the insurance companies combined. I take it that the economic outlook is and should be available to the members of the industrial relations committee. I take it also that estimates about future unemployment are available to them from the Department of Labour, and if the Department of Labour does not supply this service it certainly should do so.

Mr. Chairman, I would like to give one example of which many might come to mind where the dual capacity of the investment committee would come in evidence, where their interests could and possibly did conflict. There was a time last fall when the Bank of Canada supported the price of the new conversion bonds. They supported these at par or near par. Suppose we assume that they thought these bonds were going down in price and they had every reason to think they would be going down because they had to support the price of these bonds, would this not have been a good time, therefore, for the investment committee to sell enough bonds and buy treasury bills to meet all possible obligations they might have in the unemployment insurance fund for a year or more? This might have been calculated from the economic outlook which was denied to us, and also from reports of the Department of Labour. To have sold them would have made it better for the fund but worse for the Bank of Canada supporting the price of these bonds. To keep them, as they did, made it worse for the fund but better for the Bank of Canada and the bond market, and therefore better for the Department of Finance.

Surely there is a conflict of interest here, and no amount of talking on the part of the Minister of Finance could convince me or many other people in Canada otherwise. I do not think it is humanly possible for any man, no matter who he is, to serve two masters well. It is natural that the Minister of Finance would want to keep bond prices as high as possible in order to get interest rates as low as possible. It follows that anyone working for the Minister of Finance, whether or not he had direction from him, would have the same wish or the same aim. Supposing the fund needed cash as it did long ago, and on two or three occasions in the last year; would not the deputy minister of finance have conflicting interests in his dual position? He would have a responsibility to the fund; he would have a responsibility to the Minister of Finance as well, because if he sold these bonds it would depress the market. I think Mr. Coyne told us that if they sold these bonds in any volume at all it would depress the bond market. I know the Minister of Finance would not want this to happen, and he has an employee under his direction who is torn, we will say, between two ideas; should he sell or should he not sell?

We know that the bond market has gone down in spite of this. The bond market is going down regularly and certainly is going down very fast if you start to compute the high interest rates paid on treasury bills and the true net cost of the recent bonds as announced this morning, and which were oversubscribed. This net cost to the treasury is something out of this world.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member is apparently beginning to discuss an issue of bonds sold this week. What on earth has that to do with the measure now under debate? We have had debate straying, goodness knows, all over creation in committee on this first clause of the bill. Certainly there is nothing in this week's bond issue which has the slightest relationship to the bill now under consideration.

Mr. McMillan: Mr. Chairman, I do not think you were in the chair at the time, but yesterday the minister himself discussed the price of bonds. He discussed the foresight and the hindsight of selling bonds. He discussed the conversion bonds in connection with raising money for deficits and for payments in connection with the unemployment insurance fund, and if he had that right yesterday I think I should have the same right in the same committee today.

The Chairman: Order. It is quite true that during the course of this debate various speakers on both sides of the house have somewhat strayed from the item under discussion. For the sake of good order and in order to respect the principle of relevance, the Chair must ask hon. members to please adhere strictly to the matter under discussion. The fact that at other times the Chair has possibly permitted various speakers to stray away from the item under discussion is no reason for the Chair to permit speakers who are debating this issue today to stray away from the principle of relevancy. Consequently it would be appreciated if all members tried to limit their remarks to relevant items in this debate; otherwise it will be necessary to repeatedly call to order various speakers. Therefore may I ask that as far as possible all speakers adhere to this item under discussion.

(Translation):

Mr. Caron: Mr. Chairman, with all due respect allow me to say that, as can be seen in the 10th report of the industrial relations

committee, we discussed there every financial structure which might in one way or the other affect the unemployment insurance fund. As the industrial relations committee went into the matter of the treasury bonds acquired by the commission at the time of the conversion loan in replacement of debentures, and since the industrial relations committee has now tabled its report, it seems to me we should be allowed to examine the whole financial structure which affects the unemployment insurance fund. I therefore submit that the minister is wrong when he contends that we are out of order in dealing in the regular way with matters which were discussed in committee. It has been the standard practice in the house to allow discussion of evidence brought before the committee. For that reason, I ask that the hon. member who has risen be permitted to pursue his remarks.

The Chairman: I listened carefully to the remarks of the hon. member for Hull (Mr. Caron). As a matter of fact, it is quite logical that matters which were dealt with during the meetings of that committee be discussed in this debate. However, the issue of bonds or debentures which took place yesterday certainly has not been discussed by that committee.

Now, I will ask hon. members to limit their remarks to the section now under study. I want to point out to hon. members that, under a quite specific rule of this house, continuous repetition is not permitted. Consequently, it is to my mind reasonable that hon. members should restrict their remarks to the subject now before the house and refrain from a continuous repetition which draws out the debate and makes it perhaps somewhat irksome for the committee chairman and for hon. members themselves.

Mr. Martin (Essex East): Mr. Chairman, we want to co-operate with you. We fully appreciate the heavy task which is yours. I am convinced that the hon. member for Welland (Mr. McMillan) has no intention of speaking indefinitely on this matter. He is only referring to it incidentally. I mean yesterday's loan. He was just mentioning it in passing and I believe you will find that as the hon. member for Hull (Mr. Caron) pointed out, there will be no difficulty in that respect.

The Chairman: I quite understand the point made by the hon. member for Essex East. I am convinced that the hon. member for Welland does not propose to carry the discussion into a field which might involve infringement of the standing orders. I merely wish to suggest to hon. members that they should limit their remarks to the section now before the house, and thus simplify the debate.

(Text):

Mr. McMillan: I was just inquiring about the high cost of the current loan. The interest is 8 per cent net—

Mr. Fleming (Eglinton): On a point of order, the hon. member is going right ahead to do the very thing you have ruled out of order.

An hon. Member: It is just in passing.

Mr. Fleming (Eglinton): He is not discussing any bond transaction of the unemployment insurance fund at all. He is going on to introduce into the debate some remarks which he evidently wishes to get off his chest with regard to a bond issue sold this week. As far as I am aware the unemployment commission has made no purchase whatever which has anything to do with that transaction.

Mr. McMillan: I am sorry the Minister of Finance is so touchy about the bond issue rate, and I won't refer to that.

Mr. Fleming (Eglinton): Stick to the truth, and stick to the point under discussion.

Mr. McMillan: I will say that yesterday the minister accused us of hindsight, and gave example after example, but we cannot answer him here today. That is not fair to members of the House of Commons.

What has happened to this unemployment insurance fund? We had a $10 million loss on the sales of bonds of that fund and there was a paper loss of between $60 million and $65 million on bonds held in that portfolio, had they been sold at today's prices. We know they could not be sold at today's prices, because if they were put on the market it would decrease the prices of those bonds. Then we have $80 million borrowed at 5 per cent interest, so that leaves something under $350 million in the fund.

I think the first thing the minister must do to help this fund and to help other funds is try to create confidence in the government's fiscal policy. I cannot refer to interest rates, but certainly the hon. gentleman's policy lately has not created any confidence in fiscal policy. And when I think of fiscal policy, if I dare mention interest rates, an effective interest rate of over 8 per cent—

Mr. Fleming (Eglinton): Are we to have order or not? Is the hon. member to go on defying the ruling you have made, Mr.

Chairman? He is back on the same thing. Surely this is not a debate on the wide range of fiscal policy such as we have had a number of times already this session. Surely this is a debate, properly, on the first clause in the bill to amend the Unemployment Insurance Act. Surely, if this kind of discussion is in order, everything can be discussed.

Mr. McMillan: I will avoid that phrase "interest rate" all I can. I am out of order in even mentioning it now, but the minister mentioned it himself many times yesterday. We have two very outstanding current examples. One I should not mention, and the other is what the minister is doing to the little man, the man who carries the dinner pail. The Minister of Finance is letting him pick up the tab for the losses and depletion in the unemployment insurance fund.

Mr. Fleming (Eglinton): Not a word of truth in that!

Mr. McMillan: What is the minister doing in another direction? We heard it announced today, but I cannot mention it or the hon. gentleman will stand up and say I am out of order and I will be ruled out of order. I cannot mention the words or the minister will stand up. But certainly he is helping the rich man to get 8.2 per cent on his money and that is all I want to say.

Mr. Martin (Essex East): The Minister of Finance said yesterday that the losses suffered by the unemployment insurance fund had nothing to do with the present bill. I want to indicate to the Minister of Finance, in case he does not know it, that during the past five years the income derived by the fund from investment has been, on an average, about $25 million. It would be interesting to know why the actuary, who is an employee of the department over which the hon. gentleman has jurisdiction, did not take that source of revenue into account when he estimated the future requirements of the fund.

If the Minister of Finance would look at the statements which were produced before the committee by the actuary, Mr. Humphrys, a distinguished public servant, and particularly at statements 4 and 5 in a table which he presented to the committee, he will find that what I have said about this $25 million revenue is correct, and also that it was not taken into account by the actuary, as I have mentioned. It would be interesting to know why this was not done.

I suggest to the Minister of Finance that there are only two possible explanations. Either the actuary forgot to take this important source of revenue into account—and if this is true the probable deficit of the fund has been overestimated and the probable increase in contributions is, in consequence, too great—or the actuary felt that the investment income would be negligible in the next few years. If that is the case, then the loss in revenue is due to the mismanagement of the fund last year and particularly, as the hon. member for Welland has emphasized, during the conversion loan so dear to the heart and to the political dedications of my hon. friend the Minister of Finance—

Mr. Hellyer: And so expensive to the pocketbook.

Mr. Martin (Essex East): —and as my friend the hon. member for Trinity points out, so expensive to the pocketbooks of the Canadian people. The minister certainly owes the committee an explanation.

Yesterday in his verbal peregrinations the Minister of Finance stated that it was almost impossible for the investment committee at the time of the conversion loan to foresee what would happen to the fund. I suggest to the Minister of Finance that after a good night's sleep, which I trust he had, he has now come to the conclusion that his view in this particular was erroneous.

Did my hon. friend say something? Apparently not. Perhaps I misunderstood. I thought he grunted, and I wondered what that meant.

Mr. Pickersgill: It was not such a good night's sleep.

Mr. Martin (Essex East): Well, I can understand that. The minister has a lot of problems on his mind. He carries them well, but this is one which apparently he is not carrying too well.

In the first place, from July to the end of October I think it is fair to say that anyone could see that we would experience heavy unemployment during the coming winter. We on this side of the chamber certainly indicated in the middle of last August, when we were considering the estimates of the Department of Labour, that that would be the case, and so during the period of the conversion loan it was quite clear that the fund would begin soon after these months to suffer very heavy drains indeed.

It was evident also that if a high degree of liquidity was not achieved—and the conversion loan was a God-given opportunity to achieve that goal—then the fund would have to sell a large amount of securities in order to meet its financial obligations. I suggest to the Minister of Finance that notwithstanding what he said about my ability to foresee the current trends in the market, it was not

necessary to be an expert in order to foresee this situation. I also suggest that it was not necessary to be a great expert to anticipate the situation with respect to the bond market and to realize that if the fund had to sell large amounts of securities it would inevitably suffer heavy losses.

Yesterday the Minister of Finance was unduly critical of me because I said the investment committee should have foreseen during the July-October period that the values of government bonds were going to drop in the fall of 1958. Here again he said this was a situation that could not easily have been anticipated. I should like to indicate what the Minister of Finance said in his budget speech which will be found at page 2411 of *Hansard*.

Mr. Fleming (Eglinton): Is this in order, Mr. Chairman?

Mr. Martin (Essex East): My hon. friend is constantly interrupting with references to being in order.

Mr. Fleming (Eglinton): Mr. Chairman, I am rising on a point of order. Is it correct in a subsequent debate in this committee to refer to remarks made in a previous debate in the same session, when that debate has been closed and the house has terminated that matter?

Mr. Martin (Essex East): Mr. Chairman, I said I wanted to co-operate. The Minister of Finance is quite correct in his point of order, and all I can do now is to remind my hon. friend that when he presented his budget he did speak about this matter and said, in effect, what I have already indicated.

Mr. Fleming (Eglinton): And now you are going to go ahead and read it just the same.

Mr. Martin (Essex East): No, I am not.

Mr. Fleming (Eglinton): You are going to proceed and read it in breach of the rules of the house.

Mr. Martin (Essex East): May I tell my hon. friend who talks about violations of the rules of this house that I have become an assiduous student of the columns of *Hansard* between the years 1945 and June of 1957, during which time my hon. friend in this house sat near this very seat I now occupy, *gloria mente regnante* and I do not know of an hon. member who more consistently violated the rules of this house.

Mr. Pickersgill: He is the only one who had to be sent out of the house.

Mr. Martin (Essex East): Yes, as my friend the hon. member for Bonavista-Twillingate said—

[Mr. Martin (Essex East).]

The Chairman: Order. I urge hon. gentlemen to return to the matter under discussion.

Mr. Martin (Essex East): I thank you, Mr. Chairman, for saving the Minister of Finance from these denunciations which I wish I did not have to make but which I am almost compelled to make as a result of these undisciplined fulminations of the minister.

I cannot, of course, refer to what the hon. member said in his budget speech, but I would direct his attention to his words as they appear at page 2411 of *Hansard*. He will find them a confirmation of what I myself argued yesterday, even though I did not at the time make on the minister the impression I had hoped to make and which I suspect I have now succeeded in doing.

Mr. Fleming (Eglinton): You are very suspicious.

Mr. Martin (Essex East): Anyone reading the statement in the budget speech to which I have directed attention would observe that in mid-June of 1958 the bond market did break sharply. Moreover in August, as we all know, the condition of the United States bond market further deteriorated.

I do wish my hon. friend would not look at me in that way.

Mr. Fulton: Good heavens; we cannot even look at you now.

Mr. Martin (Essex East): Here we have the Minister of Justice. I should have thought he would have enough preoccupations on his mind these days working on some legislation that will shortly come before this house instead of sitting idly by making comments about a bill concerning which he has not the slightest knowledge.

Mr. Fulton: I was reading what the hon. member for Essex East said yesterday, and I must admit that is an idle occupation.

Mr. Ricard: When will the hon. member speak about the bill now before us?

Mr. Martin (Essex East): In these circumstances it was easy to anticipate what would happen in Canada when the Bank of Canada would cease to support conversion bonds which, as my hon. friend knows, were supported by the bank from the beginning of July, 1958 to the end of October, thereby permitting the sale of some $17 million worth of the commission's securities on September 15 for which the commission received full value, the same value it would have received if it had held those bonds until maturity. I suggest, therefore, that the investment committee could have anticipated that situation and should have sold its victory bonds in

order to acquire short term securities and treasury bills instead of accepting long term conversion bonds.

This was ably pointed out by the hon. member for Welland, who increasingly amazes all of us with his financial erudition.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): The hon. member for Welland has won the respect of this house because of the increasing manifestations of his great competence and acumen in this field.

Mr. Fleming (Eglinton): Have you been coaching him?

Mr. Martin (Essex East): I would be greatly honoured if I could say so. He has been coached by our expert spokesman on finance, the hon. member for Kenora-Rainy River. Together they present a formidable team.

Mr. Fleming (Eglinton): It is his responsibility then.

Mr. Martin (Essex East): We in this small group, as a matter of fact, are developing a team of financial experts—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —which if my hon. friends opposite had done when they were in opposition would have served to prepare them for the great responsibilities that are theirs now. I am sure the Minister of Finance would not have embarked on some of the fantastic financial schemes that he has projected if he had had a greater training in finance when he was in opposition during the long bitter days of hard winter—

Mr. Fleming (Eglinton): You know what they are now.

Mr. Hellyer: Too little and too late.

Mr. Martin (Essex East): I do not know why my hon. friend shows his resentment by sitting sideways in his seat.

Mr. Fleming (Eglinton): I am trying to avoid looking at you. You are so sensitive.

Mr. Martin (Essex East): Usually he confronts me with full body and now he confronts me with half body. I assure him this is conduct that shows a discourtesy to one who is seriously interested in a very important discussion.

Mr. Pickersgill: His lights are dimmed to avoid the glare.

Mr. Benidickson: He is giving you the cold shoulder.

Mr. Martin (Essex East): His lights are dimmed to avoid the glare. Mr. Chairman, I ask the Minister of Finance to realize that the bill before us is one that seeks to bring about a yield of $100 million in additional revenue, $80 million of which is going to be contributed by the workers of Canada, the little men, as the member for Welland said, and the employers of our country. Before imposing this serious continuing obligation on these two segments of our population the Minister of Finance ought to get his colleague the Minister of Labour and others to reconsider this matter, as was also pointed out yesterday by the hon. member for Timiskaming when he spoke.

The Minister of Finance has predicted a possible increase in the gross national product of 7 per cent. Since that prognostication or forecast was given, the Prime Minister said in a speech outside this house that he thought —I hope I do not overstate the observation of the Prime Minister—the results would indicate that instead of a 7 per cent increase in the gross national product it would be considerably higher. As a matter of fact, I have seen in some financial journals the suggestion that it could even be double the 7 per cent. I am sure we will all welcome that.

Well, let us assume that the bright economic outlook for 1959, given by the Minister of Finance, will materialize. I point out—and this is a serious observation which the Minister of Finance must now deal with squarely —that such a recovery would result in reduced expenditures and increased revenues for the unemployment insurance fund in 1959 and 1960. On that basis, and assuming that the level of contributions was to remain unchanged, the fund would not be in the perilous state that was referred to unanimously by the members of the advisory committee. I ask the Minister of Finance, assuming that this estimate that the gross national product will increase by 7 per cent or higher materializes, will there be a deficit or a surplus in the fund?

In the answer to that question, in the final analysis, is involved the kind of policy which should be adopted with regard to the methods for replenishing this fund. If this is to be the situation, if we are to have the bright economic outlook that the Minister of Finance forecasts, I suggest to him that he ought to take a second look before imposing for all time this additional contribution from the workers of our country amounting to from 25 per cent to 56 per cent. We do not go lightly about imposing further obligations on our people, particularly those who are in the working groups, the dependent groups, the farmers and the like, without taking into consideration all possible alternative methods of dealing with such situations.

It is a serious matter to add this additional burden on the employee groups of our

country. I suggest this government has an opportunity now to reconsider its position and see whether or not it can take a new look at the situation and come forward with a proposition that would at least be consistent with the suggestion made by the advisory committee that the government contribution should be increased so that it will be at least half the total contribution of the workers and employees.

I submit these observations to the Minister of Finance. We have been light-hearted in some of our remarks only because we wanted to bring the Minister of Finance down from his pedestal of anger to a pedestal of phlegmatism, because we wanted him to understand fully how serious we are in the position we take and the serious reaction to this proposal that has come not only from labour groups but from employee groups all over this country. I ask the Minister of Finance to take a second look at this matter before imposing this burden on the workers of our country.

Mr. Starr: I am sure we are all touched by the continual reference by the hon. member for Essex East to his concern for the working people of this country. When one looks at the record that has been established by the hon. member for Essex East one begins to wonder whether there is a great deal of sincerity in what he says.

Let us take a look at what happened in 1950, when the hon. member for Essex East piloted an amendment to the Unemployment Insurance Act through the house to include seasonal workers. Prior to 1950 the weekly earnings had ranged from $5.40 to $7.49 in the lowest bracket, and from $7.50 to $9.59 in the second lowest bracket. In the first instance the employer paid 18 cents per week and in the second instance 24 cents per week. The worker, the employee for whom such a great deal of concern is exhibited by the hon. member for Essex East, contributed 12 cents in the first category and 15 cents in the second category.

To show his concern for the workers, this is what the hon. member did in 1950. He raised these two classes. He raised the contributions not of the employer, Mr. Chairman; the employer remained the same, at 18 cents, but what did he do with the workers? He raised the worker's contribution by 18 cents, making a total of 36 cents, or a total increase in the contribution by the working people of this country of 50 per cent. He left the employers alone. In the next two categories—

Mr. Martin (Essex East): Give us the pattern of change and the pattern of benefit; give the whole story.

[Mr. Martin (Essex East).]

Mr. Starr: If the hon. member will withhold his curiosity, I will do that. He knows the facts. Let us proceed. I will give the whole picture to show how deeply he is interested in the working people of this country.

Mr. Martin (Essex East): On a point of order, I do not mind argument.

Mr. Ricard: It begins to hurt.

Mr. Martin (Essex East): When the hon. member challenges my interest and sincerity in regard to labour—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —he challenges something he cannot prove. I ask him to withdraw that imputation and to go on with his argument as he wishes, because I have a complete answer.

Mr. Starr: The hon. member for Essex East has argued that to put any increase upon the working people is not the proper thing to do.

Mr. Martin (Essex East): This is not what the argument was at all.

Mr. Starr: My point is that his argument in this respect is not borne out by what he did in 1950, when he put practically the whole burden of the increase on the working people of this country.

Mr. Martin (Essex East): That is not the fact.

Mr. Starr: I just gave the facts and you agreed with them. I pointed out that the increase on the people who earned the lowest salaries amounted to 50 per cent, and nothing additional was put on the employers. Let us take a look at the next two categories.

Mr. Fleming (Eglinton): Shame on the member for Essex East!

Mr. Starr: Let us take the next two categories. In the category of people earning $9.60 to $11.99 a week the employer contributed 24 cents and the employee, the worker, contributed 18 cents. In the category of people earning $12 to $14.99 a week the employer contributed 24 cents and the employee 21 cents. What did the hon. member do? He raised the ceiling from $9 to $14.99. The employer was not touched; the employer still paid 24 cents. The people getting those low incomes had their contributions increased to 24 cents, an increase of 30 per cent.

Mr. Martin (Essex East): That is right.

Mr. Starr: There was his interest in the working people of this country. He saddled them with this increase.

Mr. Fleming (Eglinton): Shame on the member for Essex East.

Mr. Starr: In the other categories, from $15.99 to $19.99, and so on, he did increase the rates in the case of employers and employees; but in the case of people who earned the least, from $5.40 to $11.99 a week, he raised the rates 50 per cent and 30 per cent for the workers and would not raise the contributions of the employers.

Mr. Fleming (Eglinton): Shame on the member for Essex East!

Mr. Starr: I cannot understand how the hon. member for Essex East can take on this mask of great interest in the working people after what he did to them in 1950; and, Mr. Chairman, that bill was rammed through the house. It is interesting to read *Hansard* of that time and see how the member for Essex East would not allow any straying away from the amendments under discussion but consistently interrupted, as he has interrupted during the whole debate in the industrial relations committee and in the house on these few simple amendments.

Mr. MacInnis: Mr. Chairman, many remarks have been made about the workings of the industrial relations committee, and I do not intend to add to them today. However, I should like to deal for a moment with some of the observations made in the comedy act put on by the hon. member for Essex East. The hon. member professes to have a great interest in labour. He stands up, advocates his interest and pounds his desk. I may say that he does a poor job of pounding his desk. I would hate to see him appear before any labour group if he cannot do any better in pounding his desk.

Why does he not act like a labour man if he wants to represent labour? He claims to be a champion of labour, but he finds it necessary in labour committee meetings to run out for what he calls ammunition when he exhausts his list of prepared questions. Any man acting on behalf of labour would not come to a committee with a list of questions prepared for him by somebody else.

He has referred to a hidden tax being imposed upon the people who pay into the unemployment insurance fund. I am very glad to find out that the former administration had the same attitude, and that when they made provision for additional payments they were imposing a hidden tax. That was their attitude at that time. It must have been, because that is what they profess today.

Mr. Martin (Essex East): What about the benefits that were also given at the same time?

Mr. MacInnis: I think the hon. member for Essex East has been given sufficient time to explain his points of view without asking for my opinion on them. I do not think too much of them. All we have had so far is a filibustering of the bill with talk about the merits of bond conversion and the state of the fund. I think the committee is missing the whole point. The purpose of the bill is to benefit the unemployed people of the country, and I think that should be given the highest priority in the discussion.

The workers of this country, just the same as other categories of taxpayers, naturally have an aversion to accepting higher taxes or higher payments for anything, but from my own personal experience I am quite sure that the labouring people of the country are so united that they are happy to be in a position to help their fellow workers who are not fortunate enough to be employed. Not only do the miners and steelworkers in my constituency contribute to this fund, but each and every week there is some sort of pithead collection or collection at the office to help some unfortunate person who is out of work and not able to draw unemployment benefits or relief. These men are quite willing to throw in an additional half dollar or dollar every week to help those who find themselves in such circumstances.

Mr. Peters: What about the government increasing its contribution to the fund?

Mr. MacInnis: The hon. member for Timiskaming has something to say by way of interjection. I recall that yesterday he took serious objection to any interjections while he was making a few remarks. I would ask for the same courtesy from him. The hon. member for Timiskaming also said there was no need to rush the bill through. The hon. member for Timiskaming was replaced on the standing committee for some reason or other, and with all due respect to him may I point out that the necessity for having the bill passed by June 12 in order that those receiving unemployment insurance would benefit was clearly indicated to the committee.

The hon. member for Essex East has said that the legislation could have been brought forward much earlier. I think the member will also recall that it was clearly indicated in the committee by the members of the unemployment insurance commission that there was much work to be done in this regard, that they had been working on the legislation and rushing it as fast as they could, and that the bill was introduced as soon as possible. The fact that the bill was not passed by the house before June 12 for the benefit of those who are unemployed was due to the activities in the standing committee.

As I have said, all that we had there was a filibuster. The hon. member for Essex East complained about not having an opportunity to interrogate certain witnesses. All you need do to check that statement is to refer to the reports of the proceedings of the committee, and it will be seen that the member for Essex East was on record numerous times, in fact three to one against anybody else serving on that committee. He passed up his opportunities to interrogate by continuing to make suggestions and statements, and in all the times he put himself on record he asked very few questions.

That was plainly indicated when Mr. Coyne of the Bank of Canada appeared before the committee. The hon. member made certain claims about Mr. Coyne's ability to carry out his responsibilities. He has said that the members of the unemployment insurance commission and the Minister of Labour failed to bring the bill forward in time for the unemployed to benefit after June 12. He has also referred to the advisory committee and the fact that there was no opportunity to question its members. As I have stated before, it would be very unfair to call the committee before the industrial relations committee when labour itself is not represented, on account of the recent resignation of three members of the committee.

Mr. Martin (Essex East): What about Mr. Maclean? Is he not a labour representative?

Mr. MacInnis: Yes; I will correct myself, and say labour was not fully represented because of the three recent retirements. I imagine they retired possibly to embarrass the government or the Minister of Labour, but it turns out that they have only embarrassed labour. As was pointed out in the industrial relations committee, labour will want to have representation on that committee, and these men have placed labour in a very precarious position. The Canadian Labour Congress will want representation on the committee, and it is most embarrassing to them that three of their members have resigned and will have to be replaced.

Reference has been made to Mr. Burt and the telegram he forwarded to the committee. Mr. Burt took exception to the bill in his telegram. He condemned it. Yet Mr. Burt was a member of a committee that advised the commission that certain portions of the bill were advantageous.

Mr. Martin (Essex East): That is not the case.

Mr. Starr: That is the case. The report shows that.

[Mr. MacInnis.]

Mr. MacInnis: His telegram certainly condemns the bill. I have one more point before I resume my seat with respect to the hon. member for Essex East and his interest in labour. There is no doubt about this. It is reported here in *Hansard*. As the Minister of Labour has just pointed out in reference to the 1950 amendments—and it was clearly pointed out to the industrial relations committee by Mr. Andras—in 1950 they were not given any opportunity whatsoever to appear. There is no doubt about that. The hon. member for Essex East was present when Mr. Andras made that statement.

Mr. Starr: They were not even consulted.

Mr. MacInnis: And they were not even consulted.

Mr. Starr: And they complained about it.

Mr. MacInnis: The hon. member says he has a great interest in labour. However, it is reported in *Hansard* that he cannot quite recall whether in 1950 he was parliamentary assistant to the Minister of Labour or whether he was—

An hon. Member: He was doing a great many jobs then.

The Chairman: Order. The bill that is under discussion is one to amend the Unemployment Insurance Act. I must ask the hon. member to please discuss unemployment insurance.

Mr. Pickersgill: Mr. Chairman, I rise on a point of order. Time after time I have sat in this chamber on the other side when the present leader of the house namely the hon. member for Vancouver Quadra, pointed out that the widest latitude was always allowed in the discussion on clause 1 of a bill in committee. The Minister of Finance has had wide latitude. The hon. member for Cape Breton South, who does not take up the time of the house very often, has something he wants to say which is closely related to the bill, and I think he should be allowed to say it.

Mr. Martin (Essex East): Hear, hear.

Mr. Fleming (Eglinton): Beware the Greeks bearing gifts!

The Chairman: As I mentioned in my remarks when I took the chair, although certain latitude had been permitted in previous debates on matters which were quite irrelevant to the point under discussion, I was asking hon. members to observe the rule with regard to relevancy. For the sake of ensuring order of debate in this committee the rule of relevancy will be strictly enforced by the Chair. Unlimited latitude in the

discussion of clause 1 of the bill will not be permitted by the Chair, although reasonable latitude will be allowed. I therefore consider that the point of order raised by the hon. member for Bonavista-Twillingate is not really a point of order. I cannot permit irrelevant remarks.

Mr. MacInnis: Thank you, Mr. Chairman. I will take this opportunity to thank the hon. member for Bonavista-Twillingate, although I have my suspicions.

Mr. Pickersgill: I just believe in being fair.

Mr. Fleming (Eglinton): Beware the Greeks bearing gifts!

Mr. MacInnis: I have not much more to say, Mr. Chairman, other than in reference to the 1950 amendments and the action of the hon. member for Essex East in not recalling—and it is reported right here in *Hansard*—whether he was parliamentary assistant or acting minister of labour. I should like to say that anybody acting on behalf of labour, and who has ever had the honour or the opportunity to represent labour in this house in either capacity, should be ashamed of the fact that he could not recall whether he was parliamentary assistant or acting minister of labour. I would say that any person in this country who has had that opportunity—and I do not suggest this, as was done previously; I say it outright—of representing labour and who professes to have an interest in labour but who could not recall these dates is just, as was indicated, not interested in labour whatsoever.

Mr. Martin (Essex East): Mr. Chairman, there are one or two points that I think I ought to deal with right away. They were mentioned by the Minister of Labour and by the hon. gentleman who has just spoken. I am not going to spend any time showing whether or not I am sincere in my advocacy of labour and of social welfare measures. I am not going to spend any time on that matter.

Mr. Ricard: The facts prove it.

Mr. Martin (Essex East): All I can say is that I have been in this house for 23 years and my record will show whether or not I have shown any interest in the social welfare problems of the people of this country. I do not think it is fair for any hon. member of this house to criticize Mr. Andras of the Canadian Labour Congress, Mr. George Burt, director of the united automobile workers, and Mr. Marchand, the secretary of Les Syndicats Catholiques. These three representatives of labour on the advisory committee of the unemployment insurance commission have given long and distinguished service to the government and to the people of Canada as members of that committee. Because they resigned from that committee in protest against the principle of this bill is no reason for referring to them as individuals who have not served the interests of labour.

Mr. Starr: I rise on a point of order. These gentlemen did not resign in protest against the principle of this bill.

Mr. Martin (Essex East): We shall see.

Mr. Starr: These gentlemen resigned because of the appointment of Mr. MacArthur.

Mr. Martin (Essex East): We shall see.

An hon. Member: Wrong again.

Mr. Martin (Essex East): We shall see whether these gentlemen are in support of this bill.

Mr. Fleming (Eglinton): Another slippery retreat by the hon. member for Essex East.

Mr. Martin (Essex East): The Minister of Finance is losing his patience or losing control of himself, and that is a bad thing for any minister of the crown to do. I would suggest that the usually phlegmatic minister persuade his ebullient colleague the Minister of Labour to contain himself also.

Mr. Fleming (Eglinton): And sit here and listen to you clutter up the record with nonsense?

Mr. Martin (Essex East): The advisory committee made up not only of these three members representing labour but as well Mr. Maclean, who, as I pointed out a moment ago continues to be a labour representative and is still on the advisory committee. He joined with the employer representatives and the neutral chairman in being unanimously opposed to the main objective of this bill, as represented in their observations in the report tabled by the Minister of Labour in this house pursuant to the statute, in which they unanimously—

Mr. Starr: I wonder if the hon. member will permit a question?

Mr. Martin (Essex East): When I finish my sentence. As I was saying—in which report they unanimously asserted that nothing should be done until the government contribution was increased to at least half of the total proposed contribution of the workers.

Mr. Starr: What amendments were they opposed to? What amendments were opposed by the advisory committee?

Mr. Martin (Essex East): Don't lose your temper.

Mr. Starr: I am not losing my temper. We want facts and information, not innuendos.

Mr. Martin (Essex East): This display of lack of control, this continual bellowing by the minister for vengeance—

Mr. Starr: I am trying to follow in your footsteps in that regard.

Mr. Martin (Essex East): —is very disconcerting—

Mr. Starr: I know it is disconcerting to you.

Mr. Martin (Essex East): —and not really in keeping with the position of a man who is a minister of the crown.

Mr. Fleming (Eglinton): Or a former minister.

Mr. Martin (Essex East): Or, as the Minister of Finance very properly says, a former minister. That is the main objection to this bill that was taken by these people. If they wanted to register their objections they certainly had the right to do so, and because they resigned from the advisory committee—

Mr. Starr: They did not resign because of that.

Mr. Martin (Essex East): Don't get excited.

Mr. Starr: I am trying to keep the record straight.

Mr. Martin (Essex East): Because they resigned, that fact does not make them less worthy and sincere representatives of the workers of this country and their organizations.

Mr. MacInnis: It certainly does.

Mr. Martin (Essex East): My hon. friend has reminded me of something. A moment ago my hon. friend reminded me that the real reason for their resigning was not as I stated, but—and I thank the Minister of Labour for correcting me—was that they objected to the failure of the Minister of Labour to comply with the act in consulting labour with regard to labour representation on the unemployment insurance commission.

Mr. Starr: Labour are quite satisfied with their representation.

Mr. Martin (Essex East): My hon. friend says that labour is satisfied. But the large labour organizations in this country represented by Mr. Jodoin, with over one million members, have taken issue with this government and have complained about the government failure to live up to the act because the minister did not properly consult labour.

Mr. Fleming (Eglinton): Don't lose your temper.

Mr. Martin (Essex East): My hon. friend says these three men Mr. George Burt of Windsor, Mr. Marchand of Les Syndicats Catholiques and Mr. Andras of the Canadian Labour Congress are not worthy representatives of labour because they have protested against the failure of this government to appoint a representative of labour pursuant to the terms of the Unemployment Insurance Act. The Minister of Labour has not yet told us what progress he has been able to make with the labour organizations in the replacement of these gentlemen or does he intend to give them the opportunity to return. I do not even know whether they want to return. I would say this to my hon. friend. Mr. George Burt has not supported me politically for a long time, but I do know that if he were returned as a member of this committee, as well as Mr. Andras and Mr. Marchand, he and they would be very competent and worthy representatives of labour.

The Minister of Labour, and I do not blame him for this, sought to establish that what he had done was based upon a precedent of 1950 or thereabouts. As I indicated the other day when these amendments were introduced, I was acting on behalf of the minister of labour who was otherwise engaged. I was not the minister of labour, but I am not ashamed of those amendments any more than I am ashamed to belong to a party which introduced an effective Unemployment Insurance Act—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —any more than I am to belong to a party which is responsible for every single act of social welfare on the statute books of our country—

Some hon. Members: Oh, oh.

The Deputy Chairman: Order.

Mr. Martin (Essex East): —any more than I am to belong to a party which brought in family allowances—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —which brought in old age security—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —which brought in disability pensions—

Some hon. Members: Oh, oh.

The Deputy Chairman: Order.

Mr. Martin (Essex East): —that brought in—

The Deputy Chairman: Order.

Mr. Martin (Essex East): Mr. Chairman—

The Deputy Chairman: The hon. member knows what I was going to say.

Mr. Martin (Essex East): Yes; and you, Mr. Chairman, know perfectly well why I was referring to this record of great achievement. What the Minister of Labour, demonstrating an unusual lack of self-discipline not characteristic of the hon. gentleman, failed to point out was that unlike the present instance, the increased contributions then were accompanied by a change in the pattern of benefits.

Mr. Starr: No.

Mr. Martin (Essex East): My hon. friend says no. That is his argument, which is of course a very—

Mr. Starr: It was inclusion of seasonal workers.

Mr. Martin (Essex East): Is that a benefit? Does my hon. friend think the former government was doing something worth while when it gave assistance to those workers in our country who had exhausted their unemployment insurance benefits and who were without any means of livelihood? Is that not something by way of benefit? The labour organizations of this country did not complain about those amendments.

Mr. Starr: This government has done more in that respect.

Mr. Martin (Essex East): My hon. friend says this government has done more. All I can say is that the little record of achievement of this government in the field of social welfare is such that if I were the minister of labour I would never make reference to it.

Mr. Starr: When you consider the record over 22 years it is not much.

Mr. Martin (Essex East): I do not mind these interruptions. They simply reveal a troubled conscience in this particular which is giving evidence of its disturbed state.

The real fact about this matter is this. Whether or not the argument of the hon. member is correct with regard to the past—and it is not—the point is, what about this present situation? I would ask this of the Minister of Labour, and also of the member for Cape Breton South, who was pretty severe with me a few moments ago but whose friendship I think I enjoy; now and then in the committee he came to my assistance notwithstanding his indictment a few moments ago. I would like to ask him does he not think that we on this side are not altogether unjustified in our condemnation of this bill?

We are not alone in that view; we have hon. gentlemen who sit immediately to the left of Mr. Chairman who joined very vigorously with us in this matter. But is it unfair to suggest that where there are going to be benefits of $20 million or $25 million at the most under this bill, and where there are going to be further impositions by way of additional contributions of between $75 million and $80 million on the workers and employers of this country, this is a very unfair and unjust measure to put before the house?

The total revenues to be derived as a result of these amendments, including the $16 million from the government of Canada, will be $100 million. The total benefits will not exceed a quarter of that amount. In the face of—

Mr. Fleming (Eglinton): You are saying crazy things.

Mr. Martin (Essex East): The Minister of Finance says "crazy things", but I can only say to him that when he makes that kind of observation he reveals what has been apparent since yesterday, and that is that he does not know anything about this bill at all. I say to the Minister of Finance, it was his bond conversion plan and the failure of this government to do something about unemployment which caused a drain on the unemployment insurance fund and forced this government into a situation where it had to give careful consideration to arriving at methods for replenishing the fund in order to have enough money on hand to pay maintenance grants for the unemployed of this country next fall and next year.

Mr. Fleming (Eglinton): That is untrue in every particular.

Mr. Martin (Essex East): Because the Minister of Finance accepts responsibility in this particular situation by his current interventions, this government stands indicted by this bill, as it stands indicted by no other measure so effectively, in view of its complete disregard for the rights of labour, for the rights of the employers, and in view of the complete disregard of responsibility by the Minister of Finance in the presentation of his budget. This government stands indicted by every national organization which appeared before this committee, because by this measure the government, this anaemic government, settles on the workers of our country the responsibility which belongs to hon. gentlemen opposite.

Mr. Robichaud: Mr. Chairman, it is not my intention at this time to make long remarks on this first clause of Bill C-43, but since this bill has been introduced in committee a number of members on the government side, and almost everyone from the

other side who have taken part in this debate, have accused us of filibustering the passing of this bill.

Mr. Grafftey: Hear, hear.

Mr. Robichaud: "Hear, hear". Those remarks just made by the hon. member for Cape Breton South are—

Mr. MacInnis: On a question of privilege, Mr. Chairman, I never made such remarks at all.

Mr. Robichaud: I refer to the words of the hon. member who accused us of filibustering the passing of this bill.

Mr. MacInnis: If the hon. member refers to the remark "hear, hear", I said I had not made such a remark.

Mr. Robichaud: I think the hon. member has already forgotten the remarks he made a few moments ago, and the same remarks were made on Tuesday by the hon. member for St. Hyacinthe when he said the Liberals were preventing the passing of a bill which gave benefits to the unemployed of this country. Mr. Chairman, I do not see how a bill which will require the employers and employees in this country to participate to the extent of $75 million or $80 million a year, when the benefits will amount at the most to $20 million or $25 million, can be recognized as a bill which will benefit the employees of this country.

This bill has as its main purpose the replenishment of the fund of the unemployment insurance commission, a fund which has been depleted since this government took office. A few benefits are included, such as the extension from 36 to 52 weeks and the introduction of a new clause in which deductions from higher salaries are only a blind to cover up the main purpose of this bill. Instead of accusing us of filibustering, or preventing the passage of this bill, the hon. member for Cape Breton South might have served his own electors better by supporting our protests. I should not be surprised if he is aware of a telegram which has been sent to Ottawa. The Minister of Labour must have received one, and one was sent to the Leader of the Opposition, signed by the president of district 26 of the united mine workers of America.

Mr. Martin (Essex East): What is the date of that telegram?

Mr. Robichaud: It is dated June 16, and it reads:

> About 200 men still without UIC benefits. Approximately 1300 more miners to be added to this for a period of at least one week after the 20 June. Request consideration be given either under the Unemployment Insurance Act or otherwise. Such an emergency necessitates immediate financial assistance.

I should like the Minister of Labour to tell us what is being done to help these mine workers.

Mr. Starr: They are going back to work next week.

Mr. Robichaud: They are going back to work, and when a certain number go back to work more will be out of work.

An hon. Member: You hope.

Mr. Starr: And you are holding up the bill which would give them benefits.

An hon. Member: Doom and gloom.

Mr. Robichaud: A release was recently made public showing the employment situation as of the month of May, 1959. The minister rejoices, as we all do, that there was a reduction of over 110,000 in the number of persons who were without jobs as of May. The same report says under the heading of registration at national employment offices by regions shows a figure of 585,489, and a note at the bottom of page 2 of this release reads as follows:

> Statistics of registrations at national employment offices are derived from a count of the applications on hand in every office at close of business on a specified date. The count includes registrations from persons known to have a job and applying for another one.

In other words, it is a fact that in this country today there are over 585,000 persons without jobs or seeking jobs. In my own constituency of Gloucester I challenge the minister to show that there are not at least 1,000 persons who are without jobs, who are not receiving unemployment insurance benefits and who are not registered for jobs. In other words, there is in this country today a very large number of persons seeking work who are not registered at unemployment insurance offices because they know they do not have sufficient contributions to make them eligible to receive benefits.

If the government was sincere and wanted to help the unemployed by amending the Unemployment Insurance Act in view of the lack of work which exists in this country today, the minimum requirement for unemployment insurance benefits, and particularly for seasonal benefits, should have been reduced from the present minimum of 15 weeks. There are in my constituency many workers who cannot obtain 15 weeks of employment during the summer months to qualify them to receive unemployment benefits during the winter months, and if the government had

wanted to help these workers, or the working classes of this country, this minimum period of 15 weeks should have been reduced to 10 weeks, or even to 8 weeks.

Mr. Starr: Does not the hon. member realize that following the course he suggests would impose a further drain on the fund? Is he advocating that? If so, why is he not prepared to pass this bill which would allow contributions to be increased in order that it might be possible for the workers to receive the benefits?

Mr. Robichaud: During the Liberal administration—

Some hon. Members: Answer the question.

Mr. Robichaud: Yes. I will tell the minister that during the Liberal administration a 15 week minimum was logical, because anyone who wanted to obtain work could do so.

Mr. Starr: That does not answer the question. But does not the hon. member recall that this government changed the formula so that people could get extra benefits, and seasonal benefits, and that this government provided an extension of two additional months, and—something which the former government refused to allow—

Some hon. Members: Order.

Mr. Martin (Essex East): A point of order, Mr. Chairman. The Minister of Labour, without even seeking to ask a question, now tries to interrupt in a great speech.

Mr. Starr: That was not a point of order, anyway.

The Deputy Chairman: All a member can do is ask whether whoever has the floor will permit a question. Then he may ask the question, but only if he has consent.

Mr. Fleming (Eglinton): The hon. member for Gloucester yielded the floor to the minister.

Mr. Robichaud: The Minister of Labour has admitted that under the present administration conditions were so bad that changes had to be made in the insurance regulations. I wish to repeat that in my constituency a large number of people cannot obtain the minimum of 15 weeks of employment that is required in order to qualify for benefits. Therefore I cannot agree with those members on the government side who are accusing us of preventing the passage of a bill which would provide benefits to the workers of this country.

(Translation):

Mr. Racine: Mr. Chairman, I had not intended to take part in the discussion of this bill, and I think that the remarks of the hon. member for Essex East (Mr. Martin), certainly are not worth commenting upon, because, as usual the former minister of national health and welfare merely dealt with the matter of protection for the workers of this country.

However, this bill is meant to increase contributions made by employees and employers to the unemployment insurance fund, because the government wants to replenish this fund which is being rapidly depleted. If the fund is dwindling so fast, it is merely because there is so much unemployment in this country, and because more is being paid out in benefits than is being paid into the fund.

According to recent figures of the unemployment insurance commission, this bill would increase the contributions of both employees and employers from 25 to 56 per cent.

I do not wish to repeat here what has already been established during the debate, or refer to the disappointment felt over this bill throughout the country. We only have to refer to statements made by the board of trade of metropolitan Toronto, the Canadian Manufacturers' Association, the Canadian Congress of Labour and the Canadian Construction Association. Nor do I want to refer again to what has already been established about the present status of the fund, or to the fact that, if there is unemployment next fall and next winter, the commission would have to sell its securities and incur a loss of $72 million.

However, I noted that the Minister of Labour (Mr. Starr) has specifically commissioned the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) to defend the bill, and that is what I would like to touch upon.

Mr. Ricard: I was not commissioned by anyone. I said what I personally thought.

Mr. Caron: That is why it was so poorly said.

Mr. Racine: The hon. member for St. Hyacinthe-Bagot insists on pointing out that the views he expressed were his own. Indeed they must have been; they surely were not those of labour.

Mr. Chairman, allow me to quote from an article by the parliamentary correspondent of *Le Devoir* which certainly cannot be described as a Liberal paper. It stated on Wednesday June 17, that out of 585,489 persons registered with the national em-

ployment service, 200,042 reside in the province of Quebec. This is hardly an enviable record. The article states:

> The Department of Labour has just issued its monthly figures on employment and unemployment. The figures for May show that we are gradually emerging from the recession, but that progress is slower than might be expected in many quarters. On the basis of unemployment figures since the beginning of the year, it can be said that they are about a month ahead of last year's but still way behind those of the full employment period of 1957.

And a little farther down, the article says:

> It is therefore obvious that even if the three per cent target is reached during the summer it will be threatened during the forthcoming fall and winter unless there is some unforeseen acceleration in economic activity. At the present rate of Canadian recovery, we can hardly hope to be back to normal until 1968 . . . even then, provided we are not adversely affected by some outside influence.

Speaking in this house, the hon. member for St. Hyacinthe-Bagot, who obviously speaks for the province of Quebec in matters of labour, made the following introductory statement:

> Mr. Chairman, I have two reasons to take part in this debate. First, I should like to make some general remarks with regard to this legislation and, second, I should like to set the record straight about the statements made by the hon. member for Hull (Mr. Caron).

Mr. Chairman, I think that under the circumstances, the hon. member for St. Hyacinthe-Bagot should certainly have indicated a third reason considering that he was speaking for the Quebec department of labour in the discussion on this bill, surely he should have mentioned the number of unemployed in our province. In my view, that would have been the most substantial part of his speech.

And the hon. member went on to say:

> Mr. Chairman, the negative attitude of the Liberal opposition is inadmissible, since it is directly contrary to labour interests. All the noise made by our friends has but one purpose: to distract public attention so that people might forget about our friend's indifference to labour.

Mr. Chairman, in my view, the Liberal opposition does not need to distract public attention. The people of the province of Quebec have enough sense to read the papers and to realize that out of the 585,489 persons registered with the national employment service, the province of Quebec has 200,042. I believe that the labouring people of the province of Quebec are more interested than anyone in all social legislation which may be introduced in this house to assist them; in my opinion, full employment would be the best assistance they could get, because it is a situation that we have not had in the province of Quebec since 1957. Apparently, this government would like to put the blame for unemployment on public organizations or upon people who have nothing to do with it. As I see it, that attitude has had a particular effect on the situation of the unemployment insurance fund.

Since the session started, we have noticed that in facing unemployment, the government has always found some way to put the blame for it upon people who had nothing at all to do with the problem.

Last year, the government and the Minister of Labour extended the period of seasonal benefits. That was surely no way to provide jobs for our workers, or to reduce unemployment.

However, there again the government called upon municipalities to assume a responsibility which rested upon the government itself. And when the winter works program went into effect, municipalities lost considerable sums of money in assuming this responsibility which properly belonged to the federal government. While government members claim that this legislation was most popular with labour, I say, like others have done, especially among members of the Liberal opposition, that this measure has been most unpopular, and that the depletion of the U.I.C. fund is a result of the high level of unemployment.

Again, workers and employers are being blamed for this new problem. That is why, like others who are concerned in the welfare of workers, I will vote against the adoption of this bill.

(Text):

Mr. Peters: Mr. Chairman, just before calling it one o'clock may I suggest to the Minister of Labour that he take the Minister of Finance out for lunch today and ensure that he has a very sweet dessert so the latter hon. gentleman may not return after lunch, and we will get along with this business much faster.

Mr. Spencer: What an outstanding contribution to parliamentary debate.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Peters: Mr. Chairman, I see that the Minister of Labour was unsuccessful in keeping the Minister of Finance out this afternoon.

Since he is here I should like to say that we believe the unemployment insurance investment committee should not have converted the victory bonds to conversion bonds. It is true that this applies also to all the Canadian people. It applies to the workers and the employers of this country who were enticed into the conversion hoax. Therefore it should not be thought exceptionally odd that the members of the investment committee of the unemployment insurance commission should have recommended the conversion of the bonds in this particular case, although it was a disadvantageous financial transaction. This appears to be quite easy to ascertain after the fact, but it may not have been so easy to ascertain before the fact. It may be true that the officials of the treasury department believed the propaganda they foisted on a trusting public. If they did, they are incompetent to make recommendations to the unemployment insurance investment board.

The members of this board had the opportunity to listen to the hon. member for Burnaby-Coquitlam when he outlined what the advantages and disadvantages of the conversion bonds were going to be. The results should have been obvious by the time the members of that committee made their decision, but I do not think that is of too much importance. I do not think we can give too great consideration to the fact that interest may be made or not made on the investments of the unemployment insurance fund, because I do not think these amendments are concerned with what happens to the money the workers put into this particular fund. What these amendments are concerned with is the additional drain on the moneys that were available for unemployment assistance, and in this regard we must give some consideration to whether the investments have been advantageous. But there are other matters which are of great importance in this particular case.

It has not been indicated by the minister —and I do not think it can be—that the workers are going to get a fair return for the money they spend. I think all workers in Canada are well aware of the fact that unemployment insurance has been advantageous to labour in general, whether it be those who are unemployed or those who are employed. The unemployment insurance fund has been advantageous to all the Canadian people and certainly to all the workers who are insured under the fund. I think they are also aware of the fact that if they want to increase the coverage of the plan they are going to have to pay for it.

Since I have represented some of those workers I am quite happy to say that they will support an increase in contributions if they can be assured that they are going to be given dollar for dollar value for their investment. If we are to talk about only that section of the unemployment insurance fund which is on an actuarial basis, where an employee will get something for the investment of a certain amount of money, then this 30 per cent should be considered on that basis. But is that true of the amendments which we have before us now? We are continually saying that we have had an abnormal amount of unemployment in Canada in the last two or three years. We also fear that we are going to have that same abnormal amount of unemployment during the coming winter, and we hope in the coming years we shall have unemployment to a lesser degree.

An hon. Member: Are you forecasting?

Mr. Peters: Whose forecasts are we going to take? I am not prepared to accept the forecast of the Minister of Finance, because his forecasts have never been right. I look around the country. I can speak only for the area from which I come, and there has been very little change in the economic structure of that area which will provide work this winter. I think the situation will be no better than it was last year. If this is repeated in 265 ridings then the situation is not going to change very drastically. Therefore I think we must consider the fact that we are going to be faced with a large amount of unemployment. This, Mr. Chairman, is something that we cannot insure against, and we should not be asked to insure against it.

Let us go back to the last war. At that time the insurance companies were faced with a great problem. They had many young people insured for life coverage. They had insured them, and they could look at an actuarial chart and tell exactly how many of those young men were going to die. This calculation was based on figures and experience over a long period of time. Then the war came. This meant that a class of people who would normally live another 30 years or 40 years could die within months, and it became a problem of insurance that they could not face. In most cases a war clause was written into the policies which were issued at that time, which completely eliminated payments on death from causes due to war. In other words the war brought into effect a new class of risk that the insurance companies had not been prepared to insure against previously.

I think this is true of the unemployment insurance fund. By actuarial calculations we can find out exactly how much it is going to

cost to pay unemployment insurance benefits in a normal year, in a period of five years or in any other period; but I do not think we can be expected to ask the people to finance the risk that they are going to go through a period of cyclical unemployment over which they have no control, and over which the insured has no control. That is what we are being asked to do. We are being asked to carry the load by increasing the premiums by 30 per cent to cover the unemployment that resulted from the recession which affected the whole country. I do not think this is an insurable risk; I do not think we should be asked to insure it.

I am sure the people of Canada have received benefit from the unemployment insurance fund. I think the social security measures which have been taken in this country have been completely responsible for the fact that we did not have a catastrophe in Canada in the last two years when we had a very serious unemployment problem. If it had not been for the social security measures—and unemployment insurance was one of them—the situation would have been much worse than it has been.

This I think warrants the Canadian taxpayer in taking from the general revenues the moneys that are required to be put in the fund to equal the amount that was paid out because of the recession. Certainly the actuaries of this fund should be able to calculate what would be reasonable and regular unemployment. I think they will find it is not 500,000 people or 600,000 people. The figure of 150,000 might possibly be the number of people who would be unemployed during certain periods of each year. This might be classed as regular seasonal unemployment. I think this figure could be calculated and the benefits financed from the fund. But everything in addition to what we could consider regular in a normal year would obviously have to be classed as recession-type unemployment, and provision should be made for the payment of benefits from another fund.

Is it not unreasonable that government supporters should have risen and said that the workers want these benefits? I am quite well aware that the workers want these benefits, but they only amount to something less than $25 million. Why should the workers be asked to pay $100 million when they are going to get only $25 million back? Let the minister stand up and say that the government will provide the additional $75 million out of the treasury. If he will do that then I am quite prepared to support a plan under which the workers will only pay $25 million for $25 million in benefits.

[Mr. Peters.]

Mr. Browne (Vancouver-Kingsway): Will the hon. member permit a question?

Mr. Peters: Mr. Chairman, that would amount to less than 10 per cent of an increase.

Mr. Browne (Vancouver-Kingsway): Would the hon. member mind telling us where he gets the figure indicating that the workers are being asked to contribute $100 million to the fund?

Mr. Peters: Well, the amount runs anywhere from $78 million to $97 million. There is $16 million over and above the $78 million which is going to come out of the treasury, but obviously a large part of that is also going to come from the workers of the country, so the amount is somewhere between $80 million and $100 million.

Mr. Browne (Vancouver-Kingsway): You are including in that the employers' share?

Mr. Peters: Certainly I am including the employers' share. Anybody who was a member of the committee is quite well aware of the fact that the employers' share of the contributions is considered to be a factor in the wage structure. Certainly we were informed by every employers' organization that this was a fact, and I do not think any of the employers' organizations were very much in disagreement with this statement. It is a wage factor. If it were not being paid in one form the workers would be getting the advantage of it in another form. Therefore I suggest that the workers are being taxed for something and not being told they are being taxed for it.

We have no objection whatsoever to the worker paying for the benefits he is going to receive. One member mentioned this morning that he would like to see the period of contributions reduced from 15 weeks to 10 or 8 weeks. I agree that this should be done. I was surprised when the minister rose and said that this would cost money and would we support the 30 per cent increase if this were done. I suggest to the minister that we will support some of the 30 per cent increase to take care of a reduction in the number of weeks necessary to establish the benefit period. I do not know whether or not it would cost an extra 20 per cent. I am not familiar with what the cost would be, but I think we could quite easily add that amendment and still find that in the 30 per cent contribution the worker is being charged more than he is going to get out of it, even if that additional benefit were given to the worker.

I am suggesting that we are not opposed to the worker paying for what he gets. Under any insurance plan you only get what you pay for if you are lucky. In this case the

worker is paying a lot more than he is going to receive. I suggest that is not fair or honest, and I am not in favour of that type of policy. Several organizations have also suggested that we should bring the civil service within the scope of the legislation, because there are 140,000 civil servants. I do not think it is very fair to bring in these 140,000 lost souls, because they have no chance of getting anything out of the plan. They are guaranteed their jobs as long as they continue to do the work for which they are hired. They are fairly well protected. If they were called upon to contribute to the plan they would just be another milk cow, because they would not get anything from the plan. I do not think that is fair or just, and we should not adopt that suggestion in order to increase the amount of money in the fund.

Let us say that contributions to the fund are increased by $100 million this year. If unemployment continues to be as bad as it has been for the last two years I suggest that the fund will be broke before another two years have passed. We have not got enough money and cannot pay enough money into the fund on this basis to carry the scheme. We cannot carry the unemployment we have had in the last two years no matter what we do about the premiums paid by the people covered by unemployment insurance.

If unemployment continues, and I certainly hope it does not, we are going to have to come back to parliament again in a short time and ask for supplementary grants to the fund from the treasury of Canada so these payments can be continued. When that happens I think everybody will agree that is the way it should be done. In the meantime I do not think there is any point in asking Canadian workers or Canadian employers, if you want to include them, to increase their contributions by 30 per cent to raise a certain sum of money when the workers have no chance of getting a fair percentage of it back from the fund.

For that reason I do not believe the government are being very fair to the workers when they ask them to make contributions beyond the amount they can get back from the fund. It is a little bit like going to a horse race, shall I say. Quite often you bet $2 and you lose your shirt, but at least you have a chance to get back that amount or more. You are not paying $2 for something that will only return you 60 cents or 70 cents.

There is another question that has not been answered, and it has to do with the action of the unemployment insurance commission itself. According to a letter that the hon. member for Timmins read into the record yesterday the commission issued a directive to a number of employers in Canada, and the directive must have gone out very early in the month of June.

I should like to ask the minister this question. When did the unemployment insurance commission decide it was inevitable that Bill C-43 would pass through the industrial relations committee and the House of Commons without any major change, and that it should go into effect on June 28? I do not think the officials of the unemployment insurance commission have the right to say that parliament cannot make any change in the legislation. I do not think they have the right to draw up these directives without first having seen what parliament is going to do with the bill now before us. What authority have they received, and from what source, to order the amendments into effect? This is what has happened in the directive, bulletin No. 20, which they sent out to employers.

Have the officials of the unemployment insurance commission already ordered the new issues of stamps with the amounts shown on them? If they have, how could they tell what was going to happen in parliament. Does this mean that the officials of some government departments look at the huge Conservative majority and say to themselves that the Conservative majority can steamroller through anything they want; that this is what we recommended to the minister, and we are sure that the minister will produce it?

If this is true, Mr. Chairman, I think it is probably as flagrant a disregard of parliament as we have seen. I believe these allegations should be answered and we should know these particular things. The fact that these bulletins went out is only an indication that they were already published. I am not so much concerned about whether or not they went out, but I am concerned with the attitude and mentality of officials who have been able to decide for themselves, in a dictatorial way, that this is what the act is going to say; this is what the interpretation is going to be; this is the way we are going to implement it. I do not believe that shows much regard for parliament. It makes a hollow mockery of the establishment of a committee and having these people come before it, especially if there is no intention whatever of allowing amendments.

Although the opposition is very small in numbers, Mr. Chairman, I do not believe it can be assumed that there is no intelligence in that opposition. This is true not only of the opposition, but I think there was a considerable amount of intelligence amongst the representatives from both sides of the fence

who sat on that industrial relations committee. It is quite possible that the people who were members of that committee could have found loopholes or modifications in the proposed recommendations contained in Bill No. C-43 which should have been considered.

If we do not agree that some good could result or some further information could be obtained from the investigation by this committee, then it seems to me it is a waste of the time of parliament to establish such a committee. I think we have been wasting our time. If this is an indication of the attitude of officials of departments toward the decisions of these committees, and it is reflected in every committee on which we sit, then I think some consideration must be given to it. I feel that the officials of this department must be asked how they were in a position to write this directive; to tell people what the stamps were going to cost; when it was going into effect; where it was going into effect, and all the other matters that were in bulletin 20.

It is a surprising thing, but we endeavoured to obtain copies of bulletin 20 and we were told it was unavailable. We have applied for a copy of the table of amounts, U.I.C. 465-4-59, and we have been told this also is unavailable at the distribution office. It seems to me odd that members of parliament cannot obtain a copy of this particular directive that has been floating around the country and which has been sent to nearly all the employers in certain districts. These are matters to which consideration will have to be given before we give our agreement to this bill. Some explanation must be given as to why the unemployment insurance commission has acted in the manner it has.

Then, too, consideration must be given to why the workers of Canada should be asked to pay, directly or indirectly, nearly $100 million when they will only receive benefits estimated by the unemployment insurance commission at between $20 million and $25 million. It seems extremely odd that the workers are being asked to spend a dollar and only get 25 cents in return. I do not believe this is a good investment. I do not see how many of the members opposite are going to be able to vote for a measure of this nature. I do not think it is going to be a satisfactory answer to tell them that the 75 cents is for administration costs. Unless some further consideration can be given to this and some further explanation, I do not believe the workers of Canada are going to welcome the measure. They are not going to be awaiting it with open arms, nor are they going to want it when they get it.

Mr. Pickersgill: I just want to speak for one minute to support very warmly what has been said by the hon. member for Timiskaming. This is not by any means the first example we have seen of this government considering parliament as a rubber stamp. After the Easter recess there was a point raised by the Leader of the Opposition that the government, in the budget papers—I merely offer this by way of analogy—referred to a statute which had never been introduced, much less passed by this house, and gave a name to a statute that did not exist at all. In addition, they represented that payments had been made that had never been made, voted or even asked for by the government.

Now we have this action taken by the government, action taken under a measure that is controversial and that has not yet been passed by this parliament, just as though what parliament did mattered not at all. It seems to me, sir, this is an extraordinary reflection upon parliament. I can imagine that there would not have been just one minute or two minutes taken up when we were on the other side if this sort of thing had happened, but this sort of thing did not happen when Mr. St. Laurent was prime minister. It happens now because there is an extraordinary carelessness at the top in this government, in watching the proprieties, in considering parliament and the way parliament ought to be treated. This government simply takes it for granted that what happens here does not matter at all.

I think the hon. gentleman has made that very clear indeed. Every conceivable device short of closure itself is used by members of the treasury bench on every occasion on which a controversial measure comes before this house. This is another evidence of that steamroller mentality that we have had exhibited on so many occasions.

I should like also to join with the hon. member for Timiskaming in what he says about this special tax on two special classes of people. It is not insurance for their benefit at all; this is for the replenishment of this aspect of the fund which, as we have maintained from the outset of this debate, should be a charge upon the treasury and not upon two particular groups of citizens.

(Translation):

Mr. Caron: Mr. Chairman, I think the Minister of Finance (Mr. Fleming) has managed, through his customary tactfulness, to extend the debate considerably. Now that he has left the house, perhaps the discussion will proceed a little more apace.

Mr. Chairman, some rather direct charges were levelled against us. In fact, the hon. members for St. Hyacinthe-Bagot and Brome-Missisquoi (Messrs. Ricard and Graff-

tey) in their speeches have berated me personally. I shall not take them up on it, as the member for Beauce (Mr. Racine) has done a great job of answering them. However, I distinctly remember that the hon. member for St. Hyacinthe-Bagot, in seeking to show that the Liberals and the C.C.F. members—in other words the opposition—were really not interested in the welfare of labour, told us in pathetic tones, almost with tears in his eyes, that he knows the labouring man and that the labouring man knows him.

Mr. Chairman, if the hon. member's remarks were aimed at the opposition, let me point out to him that he was barely out of the cradle when I organized a store employees' union and that, in 1936, I negotiated various collective bargaining agreements in the riding of Hull, at a time when the hon. member for St. Hyacinthe-Bagot had everything to learn about industrial relations.

Mr. Chairman, my remarks so far were meant as a preface to the fact that several hon. representatives, including the hon. members for Brome-Missisquoi, St. Hyacinthe-Bagot, Cape Breton South (Mr. MacInnis) and even the Minister of Labour (Mr. Starr), have sought to indicate that our purpose in rising in this debate was to block passage of this bill.

For my part, I maintain that the bill is so inadequate that it would be to the advantage of labour if it did not go through. And since those hon. gentlemen claim that our reason for taking the floor is to retard proceedings, let me remind them that we suggested to them, early in the session, that the debate on the address in reply to the speech from the throne be adjourned so that we might consider any legislation calculated to check unemployment in this country. I remind them that they unanimously refused to accept our suggestion.

Mr. Chairman, why did not the government accept at the very start of the session, the opposition's suggestion to take up right then a bill as important as the one now before the house?

Some hon. members claim that our purpose is to hinder passage of this bill. Yet, they do not agree with the Prime Minister (Mr. Diefenbaker) who said, as may be seen on page 4239 of the official record of June 2:

(Text):

I do not belong to that school, nor have I ever adhered to the suggestion that beneficial discussion shall not take place on every measure that comes before the house.

(Translation):

And further on, the Prime Minister said:

(Text):

There is no question of a target date—

(Translation):

And the Prime Minister went on to say:

(Text):

—as he suggested. I for one would not to the slightest degree concur in any suggestion that we determine upon a target date—

(Translation):

Those were, Mr. Chairman, the remarks made by the Prime Minister. And yet, the Minister of Labour has set a deadline for consideration of his bill. He put off introducing it to forestal a thorough discussion of it. Well, we availed ourselves of the rights granted members of the opposition to discuss the legislation, just as my friends opposite did in 1950 and at all sessions which have taken place since I have been a member.

In fact, since 1953, they have used the standing orders of the house to extend the debate as long as possible. The pipe-line debate lasted twenty-one days without the substance of the matter having been considered at all. It was all made up merely of points of order and questions of privilege.

Mr. Chairman, we intend to consider this bill fully, and if the ministers want to take part in the debate and indulge in personalities, we intend to return to the charge and reply on each occasion.

The hon. Minister of Labour said this morning that, in 1950, the hon. member for Essex East (Mr. Martin) who had, at the time, introduced the Unemployment Insurance Act had, by means of interruptions and points of order, prevented the opposition from discussing the bill.

Mr. Chairman, according to a report from the Canadian Congress of Labour, in 1950 Mr. Gordon Graydon, a Conservative member, used precisely the same line of argument we are using today; and yet the situation was not the same then, because there were about $600 million in the fund at the time, and the fund kept growing, whereas today it is in perilous condition. The situation is therefore different. Here is what Mr. Graydon said, as recorded on page 214 of *Hansard* for February 24, 1950:

(Text):

It seems to me we have reached the limit of absurdity when we ask the workers of this country to put up more money to solve the unemployment situation. That is the government's job, not the workers.

(Translation):

That, sir, is what we contend today. It is up to the government to make up for the deficit in the unemployment insurance fund. We are told that this bill will yield $78 million or more to replenish the fund.

If we consider that the figures supplied to us are based on a five year period during which there would be good and bad years, it cannot be taken for granted that the initial year, when the winter will be as in former years, will call for less withdrawals from the fund than were made last winter.

According to figures appearing in table no. 3—

(Text):

The excess of expenses over revenue for the year, $227,948,740—

(Translation):

That means that if the Minister of Labour has to face an unemployment situation similar to that which prevailed last winter, and if we consider that, according to statistics, there were 585,409 unemployed in Canada last May, we will have to draw enormous amounts on the unemployment insurance fund next winter, as we pointed out last year, when, unfortunately, this government did not want to listen to us. As a matter of fact, if we have to spend amounts larger than the intake of $248 million, it will mean that, considering the present condition of the fund, and if we have to levy further amounts to pay those benefits, there will be hardly anything left in the unemployment insurance fund. The government will then have to restore the balance of the unemployment insurance fund by depositing into it a certain amount taken from the consolidated revenue account. Why then does not the government decide today to replenish the unemployment insurance fund out of consolidated revenue, thus leaving the unemployment insurance contribution rate at the same level as before the introduction of the amendments now considered?

We then could have a committee consider the Unemployment Insurance Act and submit a well prepared and serious report which we might accept or reject on the strength of some specific argument.

The bill is based on contingencies, on possibilities that are pointed out to us. We are told that the bill was prepared on the basis of a five year average. Now, if we take the average figure for the last five years, we find that, as far as unemployment insurance is concerned, there were quite a few variations with regard to the amounts spent during that period. As a matter of fact, they amounted to $186 million in 1954, to $257 million in 1955 and to $250 million in 1956. In 1957, they reached $231 million; in 1958, $385 million and in 1959, $478,000,676. This means that, far from decreasing, they were steadily on the increase.

Then, as we do not know what next winter keeps in store for us, instead of submitting an imperfect bill, one that workers cannot accept because they are asked to make too large sacrifices for something which will benefit the whole Canadian people the government should, during the present session, submit a winter works program in order to lessen unemployment and relieve municipalities which have once more to contend with all the legislation passed by the government. Municipalities will have to shoulder the main burden of unemployment, while the government will wash its hands like Pilate did before Jesus.

I maintain, Mr. Chairman, that the government has no right to act in this way. Once more I urge it to stop and think before taking a course which the whole people of Canada, with the exception of Conservative members, are asking it not to take.

(Text):

Mr. Martin (Timmins): Mr. Chairman, I do not propose to speak very long on this matter today, but I would like to know if the minister could answer a couple of questions. Unfortunately I was away from the house yesterday when he explained what happened with regard to the letter I received that day. At page 4846 of *Hansard* the minister said that, unfortunately, inadvertently some of these bulletins were placed in the mail last week.

Mr. Chairman, as I stated this letter was dated June 12, and the writer states that the office where she is employed received bulletin No. 20 a week or more ago, which puts it back at least as far as June 5. She also states the bulletin was under date of June 1, 1959. Therefore it appears that it was more than a week ago that this bulletin No. 20 was placed in the mail, which does not exactly conform with what the minister said yesterday. I wonder if the hon. gentleman could explain it a little more fully.

Mr. Starr: I inquired into this immediately, and I read the words exactly as reported to me in this regard; that inadvertently a small number of these bulletins, because of a mistake by one of the civil servants working in the commission, were put into the mail bag. I must accept that. I feel we are all human, and if this civil servant made a mistake it is regrettable, but I am not going to try to punish him for it.

Mr. Peters: Could I ask a question on that point? Would the minister not agree that this information could not have been prepared and should not have been prepared before the committee reported? The committee did not

report until June 9, and this directive went out some time during the first week of June. I suggest that it contained detailed information regarding the cost of stamps, the amount of benefits and so on for the use of employers, officials of the commission and others, information which could not have been provided and which should not have been prepared before consideration of this question had been completed by the committee.

I agree that we do not want to blame some official for letting this get into the mail bag, but the bulletin itself should never have been prepared because, really, the facts are not available yet and will not be available until this bill has received third reading. Nobody has the right to predict in advance what this house is going to decide. Would the minister not agree with me that this directive should not have been published at all?

Mr. Starr: This matter lies entirely within the purview of the unemployment insurance commission, and it was only after these preparations had been made that I was aware they had been completed. But this is a practice which has been followed in the past. The commission tells me that nothing different has been done from what has been done on former occasions. If any changes had been made then naturally whatever material had been prepared would have had to be corrected.

However, there is a great deal of information which must go out to every employer in this country, and in order to save time the commission did what it had done in the past. It made preparations and had all this material ready to go out. The commission had, of course, hoped that it would have been able to put into effect by July 1 whatever amendments were made by parliament. It became apparent, however, that this would not be possible, so they have set another date—September 28, I am informed—because of the delay which has been experienced in the passage of this legislation.

Mr. Martin (Essex East): Because of the failure of the government to introduce this bill earlier.

Mr. Martin (Timmins): I agree that it might be wise and expedient to prepare these things as far ahead as possible, but surely the minister and his officials must have realized that they were not dealing here with non-controversial legislation. That has been demonstrated not only by what has happened in this committee, but also by virtually every submission which was made in the standing committee and the views expressed by practically every organization from coast to coast.

The minister said that some copies of this bulletin had been sent out. Does this word "some" mean 50, or 100, or 3? In view of the fact that a certain number, at least, have been sent out would the minister be prepared to table one of these directives in the house so that hon. members might know what is contained in this document which has been prepared and dispatched to certain places in this country?

Mr. Benidickson: I know that every day we have a new edition of *Hansard* and I know, of course, that the remarks of the hon. member for Cape Breton South were replied to very effectively by others, with the exception, possibly of his statement that the bill was brought forward at the earliest possible moment, a subject which has been repeatedly referred to in this debate.

Now, Mr. Chairman, I want to avoid repetition, but on this particular point there has been no discussion today relative to the fact that on January 15 this government indicated, at a time of crisis, that they had amendments of consequence to make to the Unemployment Insurance Act. The hon. member for Cape Breton South chose to introduce this question again today, and I simply want to have in the same issue of *Hansard* a repetition—probably not desirable, but one which certainly is necessary—making it clear, as everybody knows, that this government put its chest forward and stated on January 15, through the mouth of the Governor General of this country, that it had plans for labour and that in particular it had plans for amendments to the Unemployment Insurance Act.

No time was lost by the Leader of the Opposition, having regard to the crisis that existed in respect to unemployment in this country. He said on January 19, as reported at page 37 of *Hansard*—and I want everybody to note that although we go through thousands of pages, this suggestion was reported on page 37 on the second day of the session; there is no possibility of a suggestion of this kind being made on the first day because formalities and etiquette prohibit that being done—but on page 37 of *Hansard* for this session the Leader of the Opposition, as reported, suggested, having regard to the serious crisis which existed in this country with respect to unemployment, that the government proposals to deal with this serious problem should be debated without delay. A debate such as that on the speech from the throne might perhaps have been more important to the small opposition than to the government of the day. Notwithstanding this, the Leader of the Opposition went on to suggest that the debate

might be deferred if the government had plans such as are now before us, with regard to this measure.

On January 21, as reported on page 147 of *Hansard*, my desk mate, the hon. member for Bonavista-Twillingate asked whether, if the government was not willing to suspend the debate on the speech from the throne having regard to the unemployment emergency, it would at least indicate to the country what it had in mind with respect to amendments to the Unemployment Insurance Act. Hon. members who refer to page 147 of *Hansard* of that date will find that the hon. member for Bonavista-Twillingate put his finger on the essence of the whole thing. The legislation just was not ready.

This question was repeated, and the government should have a red face about this matter. At page 353 of *Hansard* for January 26 hon. members will find that the same request was made to this government. It was stated that we as an opposition were prepared to forsake certain rights that are very important because of the general debate that is possible under the speech from the throne legislation. The government was asked if in the interests of the unemployed it had a proposition to put forward.

If I wanted to delay the committee, which I do not, I could read at some length a question put by the hon. member for Essex East as recorded at page 555 of *Hansard*, where he again challenged this government as to whether when it announced these fancy things in regard to unemployment it had the legislation ready. It did not have the legislation ready, and that was confessed by the Minister of Labour in the committee on industrial relations. He said that the unemployment insurance commission had a great many obligations to fulfil during the critical months of last winter.

I could understand that, but the thing I cannot understand is that a government would put forward, through the mouth of the Governor General, an indication that it had plans for comfort, for welfare and for the alleviation of difficulties, and then delay as it has done in the introduction of this bill. The worst part of all is that at a time when this subject required critical examination the government attempted to place on the opposition the onus, the responsibility and the blame for any delay in providing advantages. As a matter of fact, when speaking of advantages, it has been well pointed out that advantages represent perhaps only 8 or 10 per cent in relation to costs of the other financial elements that are included in this bill.

I said last evening that I was hoping the Minister of Finance would be with us in our further discussion of this legislation. I had every desire this morning to rise and ask the Minister of Finance about a few matters connected with this bill which are very closely related to the Minister of Finance and his department; I want to say too much so. May I say I did not do so because I felt that a new subject had been introduced into the committee. Relevant or not, it was introduced by the Minister of Labour in relation to the 1950 amendments. I felt it was desirable that the public and this committee should read in consecutive fashion the arguments that were related to that point once it had been admitted for debate, but I am continuing to show interest and concern and to entertain very grave doubts about two or three points which I feel have great relevance and import with regard to the legislation before us.

They relate to matters upon which the Minister of Finance unfortunately is not present to answer me. However, I see here the Minister of Justice. Surely no legislation is prepared for submission to this house without his approval. I also see here the Minister of Labour, who is of course continuing to pilot forward this bill.

I received no adequate answer either in the committee on industrial relations or in the debate on second reading of this bill to my question as to whether or not, having regard to section 86 of the bill, this government can defend its policy of deciding that bonds—as many hon. members of this party have suggested, bonds purchased under a rather dual responsibility on the part of the majority of the investment committee but none the less purchased, a decision upon which was taken on April 2 as evidenced by an order in council—should be held rather than liquidated.

As I said the other day, as events transpired with respect to the market, had the bonds been sold at that time instead of held perhaps a capital loss of $3,500,000 or $3,800,000 might have been avoided. I was fair and frank in saying that this was said from a position of hindsight. I do not in any way challenge the integrity of those people who reached that decision. I did say, however, and I want to repeat now, that I find it inconceivable that when one is dealing with a portfolio of $80 million of government bonds a decision should be taken representing something that was never done from 1941 forward. I find it inconceivable that this new cabinet would decide to do so without either what I regard as an adequate requisition under section 86 of the Unemployment Insurance Act or reference to two of the three members of the investment committee, the governor of the Bank of Canada and the deputy minister of finance.

I asked the Minister of Finance about that yesterday, and he said he felt sufficiently confident about his own judgment that with respect to this important decision he had not consulted in any way the governor of the Bank of Canada. I can draw only one conclusion, and I think this is something upon which the government must satisfy our worries by a further reply.

The budget was to come down on April 9. This decision was made by the cabinet on April 2. This indicated a further huge, massive deficit under the operations of this government. I suppose the government had some knowledge as to what effect this would have on the bond market of Canada. I want to repeat that 80 per cent of the funds of the unemployment insurance commission are non-public funds which are put up by private people.

I said the other night that more than 50 per cent of the capital losses related to the bonds that are pledged to the Minister of Finance in connection with this loan occurred within a matter of weeks after the second budget of the minister. We had nine months from the date of the issue of the conversion loan; but within a matter of six or seven weeks 50 per cent of the capital losses occurred with respect to the bonds pledged in connection with this new departure from long time practice. I say the significant thing is that that occurred after the second budget of the Minister of Finance.

I do not propose to pursue that further, but I do think this committee is entitled to know why, if the unemployment insurance commission was formally prepared to write a letter to their agents the Bank of Canada on March 25 and say that their cash requirements would be such and such, $57 million, I think, for the forthcoming month of April, the unemployment insurance commission changed its mind between March 25 and April 2, the date of the order in council. Everybody realizes that in between those few days there was paper work to be done and necessary delay. I want to know whether or not this was cabinet interference or cabinet judgment, or whether or not the unemployment insurance commission had, because of section 86 of the act, come to the conclusion in a formal way in a meeting as a commission that this step should be taken.

This morning I was not angered very much but I did have regret when I listened again to some remarks made by one of the newer members of the house. Everybody knows that I am pretty lenient with newer members of the house as they are with me; but I do wish to say that I was rather disappointed with some of the remarks made not only this morning but the other night by the hon. member for Brome-Missisquoi with respect to the proceedings of the committee. He said in the committee that some of us in the committee were rude; that we had had one of the most distinguished witnesses before this committee that could possibly come before any House of Commons committee. Mr. Chairman, somebody to my left has asked the question whether I was rude. If I was rude, Mr. Chairman, I want to say only this. It was the judgment of some of these new young Tories who should be aggressive with respect to parliamentary rights but were not so. It happens that I have had a long acquaintance not only with the witnesses but with the other members of the investment committee for whom I have said in this house I have a tremendous regard as to their ability and efficiency. This morning I corrected a statement which I had not seen in the committee proceedings. The word "incompatibility" should have appeared instead of "incompetency". I think any member of that committee will support me when I say that I did not use the word incompetency. The point I want to make is that I was surprised that a person who had had Liberal feelings in the past, as he said in this house, a former member of this party—

Mr. Grafftey: I will never live it down.

Mr. Benidickson: —would say that. We felt for a while, when he was near us and had the opportunity of getting a little fresh breeze from this particular section of the house, that he would not deteriorate as much as he has, as indicated by the words he used the other night. I find that that is typical of every Tory. They have this undue reverence for a banker, but when they get the banker of the banks then, Mr. Chairman, you cannot imagine how a young Tory, a Turk or otherwise, can really bow down and say that anybody who criticizes for a moment the views of those people is rude in the interrogation that he carries on. Anybody who has any regard for parliamentary rights, in a committee or otherwise, will support me when I say I am disappointed that some of the younger elements in this new government who hold these views certainly do not hold the parliamentary views held by the Minister of Finance when he was opposition critic. I think it is very tragic that this should develop, and that a member, such as the one I have described, would have such reverence for a banker that he would think a parliamentary committee was not justified in inquiring about some of his activities.

The hon. member for Brome-Missisquoi asked this question, and this is what I want

to answer. He asked: "What information was withheld from the committee?" I have already dealt with the matter of the information that could have been available to this committee from the advisory committee on unemployment insurance and I do not want to repeat it. The odd thing I have found so far in the debate is that everybody excuses himself for not hearing the members of the advisory committee, and particularly the labour representatives of the advisory committee, by saying that they are no longer members of the committee. We know they felt obliged, through lack of confidence in the government that appointed them, to resign. The point is that what the industrial relations committee should have examined those people about was the decision not after they resigned but the decision, examination, information and knowledge that they had with respect to things before they resigned when they advised this government that it was undesirable to do what is proposed in this bill but rather to increase the government contribution to the scheme because in many elements it was a welfare scheme, it was a government type of disbursement that should not be levied upon the long time contributors to this scheme.

I simply want to put this question on the record of this house, particularly for the benefit of young members whom I would have thought had particular interest in parliamentary rights. I want to ask the hon. member for Brome-Missisquoi whether he will look at section 20 of the Unemployment Insurance Act. I want to ask him whether on reflection, whether he sits on the opposition side or the government side, he would consider what he said in the industrial relations committee about being rude to a witness even of this prominence is valid?

Mr. Grafftey: You were rude to all the witnesses, though.

Mr. Benidickson: Will the hon. member say I was rude to all the witnesses.

Mr. Grafftey: No, I withdraw that.

Mr. Benidickson: The hon. member is very fair to me. On the other hand, having regard to section 20 of the Unemployment Insurance Act, which designates certain public officials as the investment committee under the act, will he say that this precludes him, should he at a future time be sitting in the opposition, and in a committee as a member of the opposition, from the right to examine in a committee set up by parliament a witness as to how many times the investment committee met in a fiscal year?

I never heard of anything more scandalous. I know of no case where a majority has utilized its strength to a greater degree to snuff off investigation of a committee in charge of a fund involving a paper value of $490 million, and everybody says now this is irrespective of the obligations of at least two of the members of the committee with relation to their other functions. For instance, we were not attempting to ask the governor of the Bank of Canada about his functions with relation to the Bank of Canada. We were asking him only about his obligations to parliament which asked, in fact demanded that he be one of the three members of the investment committee.

I am quite satisfied that on reflection some of the younger members of the house who served on the committee, and served very effectively, will wonder about the view they took that it was a rude and improper inquiry and that it was not desirable to ask an official, designated to be a member of the investment committee in a statute passed by parliament, for information as to how many times the committee had met in the course of a certain fiscal year. We were steamrollered with respect to that matter. There is no question about that. The investment committee was brought before the industrial relations committee as a result of a motion made by two supporters of the government. That does not mean that we in the other parties would not have wanted to do the same thing. But the point is that they moved the motion and having brought the governor of the bank there they then supported him in saying that it was not the committee's business as to how many times the investment committee, created by statute, had met in the course of a certain 12-month period. I have been here since 1945 and I have never heard anything that seemed to be more in derogation of parliamentary rights than the statement that "it is none of your business how many times we met in the last 12 months". This stand was supported by the hon. member for Brome-Missisquoi and many others elected to the House of Commons only recently. I do not derogate in any way the value of their contribution but I want to emphasize again what would have been said if the present Minister of Finance had been the opposition critic and a statement was made by a government witness appointed by statute that "this is none of your business".

Clause agreed to.

Clause 2 agreed to.

On clause 3.

Mr. Martin (Essex East): Can the minister tell us what revenue he expects will be derived from the change in clause 3?

Mr. Starr: Would the hon. member be good enough to wait a few moments until the officials get here?

Mr. Martin (Essex East): Having waited so long for the bill, I agree.

The Chairman: Shall clause 3 carry?

Mr. Martin (Essex East): No, the minister wishes to wait for his officials. We are always anxious to accommodate the minister.

Mr. Starr: The hon. member for Essex East asked what revenue the raising of the ceiling would bring into the fund. My answer, subject to correction if there is any to be made, is approximately $2 million.

Mr. Martin (Essex East): So that my estimate was correct.

Mr. Caron: Mr. Chairman, I see that the word "remuneration" has been changed to "earnings" and in the French version the word "rémunération" has been changed to "rémunération à gains". Would the minister tell us what is the difference and why a change has been made from "remuneration" to "earnings" in English and from "rémunération" to "rémunération à gains" en français?

Mr. Starr: There are a number of clauses in the Unemployment Insurance Act where the word "earnings" is used and only in a few is the word "remuneration" or "remunerated" used. In order to make the act consistent by using one term it has been decided by the commission and its legal department to make this amendment so that in all cases the reference will be to "earnings".

Mr. Caron: I see in the dictionary that "earnings" means fruit of work, salaries, wages, and "remuneration" means reward, pay for services rendered. It is not quite the same. If you study the etymology of the words there is quite a difference and they might be used in both ways, a charge on the remuneration and on the wages.

Mr. Starr: I am told by the legal department that they can define "earnings" easier than "remuneration" under the act.

Mr. Caron: I did not quite hear.

Mr. Starr: They can define "earnings" much more readily and in a better way than they can define the word "remuneration".

Mr. Caron: The reason they have changed the wording from "remuneration" to "earnings" is that they have an easier task in defining it with relation to the act.

Mr. Starr: Yes.

Clause agreed to.

Clauses 4 and 5 agreed to.

On clause 6.

Mr. McMillan: Mr. Chairman, this is the vital clause of the whole bill. It has to do with the increased contributions which are out of all proportion to the increased benefits available under the act. I maintain that if the government wants to give the same increased benefits to the workers that they are proposing in the bill they can do so at a fraction of the cost of these proposed increased contributions. Under clause 6 working people who come under the Unemployment Insurance Act are set apart from working people who do not come under the act. I noticed this morning that the Minister of Finance revealed a high rate of interest in the bill and I think he has good reason to do so. In my opinion clause 6 is a clarion call to these select Canadians to come to the aid of the government.

The government is in trouble through its inept financing and is calling on the working people of Canada to help it out. The working people of Canada are the only ones being called upon at the present time. They, and they alone, are being called upon by the government to meet, in large part, the government's deficit. As citizens of Canada they will be called upon also, along with the other citizens of Canada, to assume the rest of the deficit.

I feel that this is unfair but it is something which the big majority in the house, no doubt, can carry through. However, I hope that they do not push it through the house because it is not to the advantage of the workingman. I believe there is something deeply wrong in the Department of Finance and the workingman is the sucker who is being called upon to meet these deficits. Many of the representations made in the committee were to the effect that the wording of the act was ambiguous and allowed various interpretations. I know many who said this, and I think labour also said it, although I am not sure of that. I said in the house that before the March election some people in my area who had been making contributions under the Unemployment Insurance Act, but who were elderly and had not been working for some considerable time, received letters telling them to come down and collect their unemployment insurance. I hope that the election had nothing to do with this practice, but I have repeated this statement in the house before and I know that it is true.

I do not begrudge people this money. I can say this, too, that at election time there was no criticism of the administration of the act. However, now I do hear criticism about certain ambiguities in the act. I would hope that the present government would not use

these increased rates to build up a big fund for distribution, as a result of the ambiguities in this act, just before the next election.

Brief after brief from both labour and management suggested that the fund should cover only those with reasonably steady employment, those who did not face the same hazards as those in seasonal employment. Seasonal workers should be covered by a special category, a separate type of insurance. If they are covered by the Unemployment Insurance Act, then the government should make contributions from the consolidated revenue fund to cover the cost of their insurance.

By charging larger contributions to most workers, many times over the cost of supplying the actual benefits, the government is actually taxing them to take care of the deficit and to make up for the fiscal mistakes of the government. In so far as the fund itself is concerned, I maintain that the fund would be rapidly increasing now under the management of the former government. It should be rapidly increasing at this time, and I say that by reason of the fact that two or three days ago the Minister of Labour said that there were more people employed now than in any other May in history. He also gave an indication, although I do not believe he said so, that in June the number of unemployed would be definitely reduced. The Minister of Finance said that the gross national product would go up by 7 per cent and would exceed $34.5 million. The other day he said there would be less necessity for him to borrow money. I feel this is another indication that employment should be up.

The Prime Minister has intimated this outside of the house on different occasions. I see it is reported in the paper in front of me that the Canadian economy is on an upsurge. Why, then, do we have increases in the contribution at a time when there is the highest employment in our history; at a time when our Prime Minister and our responsible ministers are going around this country just exuding confidence? I know that they have great confidence in the situation because the Minister of Finance—I cannot say this very often—does go out and pay high interest rates. Why, then, make the small people of our country pay taxes that should properly be paid by all Canadians? The government should not be so callous. I have been in medical practice amongst workingmen all my life, and I know they want to pay their share but they do not want to pay more than their share. That is what the government is asking them to do under clause 6 of this bill.

I am making one last appeal to the minister for the workingman, for the man who carries the dinner pail. I honestly believe he should not be singled out to pay for the mistakes in fiscal policy this government has made. I do not believe that he alone should carry the load of seasonal unemployment. We should all give him a break and just give him his fair share to carry.

Now, Mr. Chairman, in connection with clause 6, I should like to move:

That clause 6 be amended by deleting all the words after "act" in the second line thereof and substituting therefor the words "is maintained".

The Chairman: An amendment has been moved by the hon. member for Welland, and in that connection I must refer the committee to Beauchesne's fourth edition, page 169, citation 202, subitem 14, which reads:

An amendment which would produce the same result as if the original motion were simply negatived is out of order.

It is the opinion of the Chair that the present amendment deletes the clause of the bill in question and is therefore negative in its form. The same result could be obtained by voting against the clause. It is therefore the opinion of the Chair—

Mr. Pickersgill: Before Your Honour makes a ruling would you be prepared to hear argument?

The Chairman: I will finish my remarks, if you do not mind. It is therefore the opinion of the Chair that having regard to article 202, subparagraph (13), this amendment is out of order.

Mr. Pickersgill: Mr. Chairman, before you make a final and definite ruling, could I direct Your Honour's attention to paragraph 278 on page 227 of Beauchesne's fourth edition, the third subparagraph of which reads:

Reductions can be made in committee on the bill, but no grant can be increased except upon recommendation of the crown.

It seems to me that if this clause were defeated there would be a defect in the whole bill in that there would be no provision whatsoever and no schedule whatsoever. Therefore the only way in which we can, without destroying the whole purpose of the act, successfully accomplish what my hon. friend from Welland wants to accomplish is to amend the clause in such a fashion that the bill stands on its feet. It is true that perhaps in substance the same effect would be obtained if the clause were simply defeated, but there would be no clause 6 at all in the bill and there would be no schedule left in the bill. Therefore it seems to me that for that reason this was the only effective way by which the hon. member could get the sense of the committee.

Mr. Fulton: Mr. Chairman, I submit the hon. member for Bonavista-Twillingate has misconstrued the effect of this clause and of the amendment. Clause 6, which we are now on, is the only clause which attempts to vary the schedule to section 37, and subsection (1) of section 37 is repealed and clause 6 substituted therefor. If clause 6 is deleted there is no change in the schedule, and therefore the amendment now before the committee would simply have the same effect as if clause 6 were itself defeated. Therefore the citation referred to by the Chairman is completely in point.

Mr. Caron: Mr. Chairman, you gave a while ago citation 202 (14). Subparagraph (13) says:

An amendment to alter the main question, by substituting a proposition with the opposite conclusion, is not an expanded negative and may be moved.

In this case it is just coming back to what it was before. It is just maintaining the Unemployment Insurance Act as it was. If we come to article 201, that says:

The object of an amendment may be to effect such an alteration in a question as will obtain the support of those who, without such alteration, must either vote against it or abstain from voting thereon, or to present to the house an alternative proposition either wholly or partially opposed to the original question. This may be effected by moving to omit all the words of the question after the first word, "That", and to substitute in their place other words of a different import. In that case the debate that follows is not restricted to the amendment—

So it seems to me quite clear that we do not have to accept the whole thing, but if we substitute something to replace that clause it should be accepted. It is up to the house to decide in that case whether they want a substitution or whether they want to leave the clause as it is.

The Chairman: I have listened with interest to the remarks of the hon. member for Hull who has read paragraph 202 (13). I have read paragraph 202 (14), and I would now like to read 202 (12), which says:

An amendment proposing a direct negative, though it may be covered up by verbiage, is out of order.

I shall read the amendment again, which is as follows:

That clause 6 be amended by deleting all the words after "act" in the second line thereof and substituting therefor the words "is maintained".

What actually the hon. member for Welland wishes to do is to eliminate what is proposed in the present bill to maintain the present rates as they are. This in itself, in my opinion, is a negation of the complete purpose of this bill to amend the Unemployment Insurance Act and as such cannot, in my view, be accepted. It is my opinion that in view of article 202 (14) which says:

An amendment which would produce the same result as if the original motion were simply negatived is out of order.

I must make my ruling according to the words I have just read, and with regret I must declare the amendment by the hon. member for Welland to be in my opinion out of order. Of course, if the hon. member for Hull wishes to convince me—

Mr. Caron: I may not be successful but I wish to try. Article 202 (12) says:

An amendment proposing a direct negative, though it may be covered up by verbiage, is out of order.

It is not a direct negative because it comes back to the original rate of contribution; and it is not verbiage because there is very little in the amendment. The intention is to restore the original position, because we claim that there is no need to increase the contributions. To do that we had to present this kind of amendment and let the government find the way, and the only way is to have recourse to the clause of the bill. For those reasons it is not verbiage and it is not a direct negative. I do not accept the fact that it is a direct negative at all.

The Chairman: I will phrase it in another way. I believe the solution to this would be to vote against this clause as it stands, which would achieve the same purpose as the present amendment which is before us. Therefore I declare that the solution to this problem may be to ask the committee if they are ready for the question and submit it to a vote.

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, before we vote on this I would like to say to the committee that any vote against this clause is, of course, a vote against the whole principle of unemployment insurance as we understand it in this country, and as we have understood it for a number of years.

Mr. Benidickson: Nonsense.

Mr. Browne (Vancouver-Kingsway): The schedule included in clause 6 proposes a 30 per cent increase in the contributions to the fund. I would like to refer to a statement of the actuary that was brought before the industrial relations committee.

The Chairman: I regret to interrupt the hon. member but I am afraid he is straying from the subject under discussion. The question is:—is the house ready for the question?

Mr. Pickersgill: What is the question?

The Chairman: The question is the following: shall clause 6 carry?

Mr. Benidickson: I do not want to interfere with the hon. member for Vancouver-Kingsway who would have prior rights on the point I am raising. I take it, Mr. Chairman, you have said that the amendment is out of order and that therefore the debate is on the clause. If that is so, I think the hon. member for Vancouver-Kingsway has priority over myself.

Mr. Browne (Vancouver-Kingsway): I thought I was in order in discussing clause 6 because I think this is one of the most important clauses in the bill. I believe that unemployment insurance could not succeed without it. I will refer now to this document and I do not know why other members of this committee who have taken part in this debate—and a number of them were members of the standing committee—have not referred to this particular document, because they were all given these figures.

This is the financial and statistical statement of the unemployment insurance commission dated March 31, 1959, and statement No. 6 is a statement of the actuary outlining why an increased contribution by 30 per cent was necessary. Here is what the statement says. The average yearly expenditure from the fund over the past five years has been $337 million, while the average yearly revenue for the past five years has been $259 million. The average yearly shortfall has amounted to $78 million. I do not know where some hon. members got their figure of $100 million and so on, but the figure I have given is the amount intended to be raised by these increases.

Mr. Benidickson: The extra is the government's contribution.

Mr. Browne (Vancouver-Kingsway): The average yearly revenue is $259 million, and if we add 30 per cent, which amounts to $78 million, this gives us a total of $337 million, which would balance the income and the outgoings.

Unless this is carried, it is quite evident that the fund could not continue to bear a loss of $78 million a year. If unemployment insurance is to continue to exist, this clause must necessarily be carried.

Mr. Benidickson: Referring to the concluding remarks of the hon. member for Vancouver-Kingsway that the fund could not long continue on this basis,—he states that as the necessity for this legislation before us—I agree. But I want to say first of all in reply to another hon. member who was serving on our committee, the hon. member for Cape Breton South who indicated that he had received certain representations about this bill from mine workers, steelworkers and so on in which they seemed to be approving of this measure, that we are a national body here, and all I can do is say that I keep in close touch with some of these labour organizations, as does the hon. member for Essex East, and whether insincerity is charged or otherwise, we read assiduously anything of this nature which comes to our desks, as do all responsible members of parliament. Now in the last issue of the Canadian Congress of Labour news there appeared an excerpt to which I wish to draw the attention of the hon. member for Cape Breton South. I am afraid I cannot give the page number, because this is a blue sheet inserted into the monthly magazine. It says this:

> Persons covered by unemployment insurance are being burdened with costs which should be shared by the country as a whole, the Canadian Labour Congress said in a memorandum submitted to the commons industrial relations committee dealing with proposed changes in the Unemployment Insurance Act.
>
> The C.L.C. said that despite substantial increases in contribution rates there was for most groups—

And this is the essence of what we are debating.

> —no change of any substance proposed in benefits.

I think that is very important as we pursue this debate. The hon. member for Cape Breton South may have received these representations, but surely they come from bodies subsidiary to the Canadian Congress of Labour, and surely we must show respect, and not disrespect, for evidence which is presented on a national basis to a parliamentary committee which is examining a bill of this kind.

The essence, as I see it when we regard this clause, is whether, either in 1950 or in subsequent years, we as parliamentarians considered our amendments as being in the nature of improvements to an insurance principle; or whether we considered them as being in the nature of improvements to a welfare plan in the interest of the insurance fund; or whether, as I want to suggest to this committee at this time, we are asked to vote for a tax plan, contrary to a welfare plan or an insurance plan in connection with our amendments to this particular section.

In other words, there was from the time of the election of this government utilization of the millions of dollars which were in this fund for the purpose of courting the voter, and did the party opposite not court that electorate by the utilization of the fund available under this statute and the huge amount of money which was available here. In doing this they neglected to take care of the normal welfare relief, as one hon. member mentioned yesterday, and now they tax the labourers

and the employers of this country so as to do a job which really belonged to the government in view of the economic situation which existed during the time since they took office. I do not think there has ever been a time in my experience when representations to a parliamentary committee from employers and employees contained such agreement that we had a bad bill, and yet the government has made no amendments whatsoever with respect to this bill—no compromise. I suggest the reason is this huge majority they have behind them; this feeling that might is right. I suggest to you that many members of this huge majority will be very embarrassed not only by management or employers but by employees perhaps not now but when the tax bills—and this in essence is a tax measure—come before them either three or six months hence.

The hon. member for Cape Breton South this morning referred to a certain element of labour and indicated that he felt confident that he was speaking for labour. I feel nobody can speak for labour. In my riding I would imagine that the largest element is comprised of people who work for wages. I have been endorsed from 1945 onward even in a tight Diefenbaker glamour election, although it was very tight indeed at that time. The wage earners, the people who carry the lunch pails and to whom a few cents here or there in terms of direct or indirect taxes represents an important consideration will wake up perhaps three months from now when they see that this clause involves an indirect tax, as was mentioned this morning by the hon. member for Welland.

Under this clause I believe we are obliged to review the rates and the statute that existed heretofore notwithstanding what the Minister of Finance said by reason of the fact that the position of the fund was perilous, not only because of the ordinary demands upon it but also because of the $72 million of market value depletion obvious to the officials of the Minister of Labour when he saw fit to bring before us a revision in the rates of contribution.

I want to assert again that from June 1957 up to the time of the introduction of this bill the government chose to give candy and syrup to the people of this country suggesting to them that it did not have to be paid for. Nowhere is it more evident than in the indirect type of taxation that is exacted by this bill. In 1957 the government imposed upon the unemployment insurance fund, a fund that was contributed to by the working people of this country, certain additional benefits. The government went through the ensuing election saying that this was straight candy not to be paid for. Today, however, we have the chickens coming home to roost.

Clause agreed to: Yeas, 47; nays, 23.

Clause 7 agreed to.

On clause 8—*Separate from estate in bankruptcy, etc.*

Mr. Starr: Mr. Chairman, clause 8 was deleted by a motion in committee but inadvertently the wording to renumber the subsequent clauses was left out. I would ask my colleague the Minister of Justice to move now to renumber the following clauses.

Mr. Fulton: Mr. Chairman, I move:

That clause 9 be renumbered clause 8 and that the subsequent clauses be renumbered accordingly.

Amendment agreed to.

Clause agreed to.

On clause 9.

Mr. Howard: Mr. Chairman, this clause seeks to amend subsection 2 of section 45 of the act. I should like to know what the actuaries have been able to determine with respect to extra costs to the fund if the present 24-week period were reduced to a 20-week period, let us say? I am interested in knowing if any actuarial consideration has been given to the reduction of the 24-week period, what the new period would be and what extra cost would be involved.

Mr. Starr: Mr. Chairman, this was not up for consideration as an amendment and consequently the actuaries did not endeavour to establish a cost figure. There has not been a computation at all by the actuaries concerning the reduction of the number of weeks of contribution in order to qualify for benefits.

Mr. Howard: I know for a fact a number of requests have been made by organizations and people who are adversely affected by subsection 2 and who are not able to claim or receive benefits because of the seasonal nature of their employment. Representations have been made to the department of late and even before this government took office. I personally requested that the 24-week period be reduced and suggested a period of 20 weeks merely as a basis of discussion. Has any research been done along this line or have the minister, his department and his officials ignored what is a legitimate request on behalf of people who are adversely affected by this subsection?

Mr. Starr: Mr. Chairman, I am advised that a review was made some two years ago. Nothing has been done since. I think the hon. member refers to the fact that if a person

has fewer than 24 weeks of contributions, then of course he is not eligible. But I want to point out to him that if it is over 15 he is eligible for seasonal benefits and he gets his benefits as of December 1 of that calendar year.

Mr. Howard: I am not talking about seasonal benefits.

Mr. Starr: He is eligible for seasonal benefits even if he is below 24 and over 15.

Mr. Howard: Can the minister indicate what were the results on an actuarial basis of the extra cost to the fund for this survey that he said was done a couple of years ago?

Mr. Starr: I am told by the officials that they have not the information here, but we shall be glad to give it to the hon. member for his study. We shall look it up and supply him with it.

Mr. Howard: That can be done at some future time; I am not too concerned about it at this time.

I should like to make a comment or two about the effect of subsection 2 of section 45. A few years ago when the alteration was made with respect to computing the contributions and benefits on a weekly basis instead of on a daily basis the period of time which was originally set was 30 weeks. We discovered, especially in so far as the loggers on the west coast were concerned—I was associated with the union at that particular time—and also in so far as other workingmen were concerned, that many of them found it nearly impossible to comply with the 30 week requirement and a request was made for a review and a reduction. At a subsequent session of parliament the 30-week period was reduced to 24, which did allow many more workmen to fit into the qualifications and thereby receive benefits.

If I may explain again to the minister, in so far as the logging industry on the west coast in concerned, it applied to the logging industry in the interior of the province and it applied in a degree to the construction industry in various parts of Canada. It also applied to other similar categories of workingmen who found that because of the weather particularly, they were unable to obtain sufficient working time during the year to accumulate 24 weeks contributions, and thereby were denied the right of benefits except, as the minister said, the right of seasonal benefits which may or may not correspond with that particular time of the year. Many of the employees find that they are out of work in the summer time, not in the winter time when the seasonal benefit scheme applies, but in the summer when in some instances the entire logging industry is shut down because of extremely high fire hazards in dry weather. We find that this 24 week period does work adversely on many workingmen in the country. It would certainly be desirable if the minister would undertake to give more study to this particular question than he has given to it in the past and review the work which was done two years ago, as he said. I presume that was in 1956, nearly four years ago, when the period was reduced from 30 to 24 weeks.

In any event, I think it is necessary to raise this particular question as it affects a particular group of workmen. I think it is necessary to raise it by way of debate and ask the minister to consider it. Not only that, but I think we should afford the committee an opportunity to debate this question in a formal way so that the minister may be guided by other opinions. I think we should afford the committee an opportunity to make a decision by vote as to whether or not this particular 24-week period should be reduced. Accordingly, I have an amendment along these lines which I should like to move. It reads:

> Subsection (2) of section 45 of the said act is repealed and the following substituted therefor:
> "(2) If an insured person, within the period specified in paragraph (a) of subsection (1), had established a previous benefit period, then the subsequent benefit period is not established unless he proves that at least 20 of the contribution weeks referred to in the said paragraph (a) were
> (a) in the period of 52 weeks immediately preceding the most recent Sunday before the day on which he makes the claim, or
> (b) in the period since the commencement of the immediately preceding benefit period, whichever is the longer period."

This is word for word subsection (2) as it is at the present time, with the exception of substituting "20" for "24".

Mr. Starr: May I point out to you that section 45 (2) is not under discussion, nor does it appear in the amendments at all. It is only section 45 (3) that is being amended in the amendments before the committee.

The Chairman: I understand the hon. member is trying to fit this into the subclause we are discussing. It does not seem to be relevant at all to what we are discussing.

Mr. Howard: The minister is seeking to have section 45 (3) amended. This is the only place where one can suggest an amendment to another part of section 45, namely subsection 2. It is for that reason that I seek to move this in a formal way. There is no other way in which it can be done, other than to bring it forward in this way. I do not think we should have to wait until the minister decides whether or not he himself intends to propose an amendment to subsection 2, in which case

I might be allowed to follow in his footsteps and propose some other sort of amendment. It is for this reason that I move an amendment to subsection 2. The minister objected and the Minister of Justice shakes his head as to the acceptability of this amendment. Are we to understand that they are objecting to reducing the 24 weeks to 20 weeks merely by hiding behind some obscure point in the rules? If so, then we shall have to adopt some other means.

The Chairman: The amendment read by the hon. member for Skeena seeks to amend subsection 2 of section 45. It has nothing to do with what we are discussing at the present time. If it is accepted then subsection 2 of section 45 could be amended at the present time and we would have to accept every amendment that might be brought forward by any member to any other subsection. It is, therefore, with regret that I have to inform the hon. member for Skeena that his amendment is out of order. To substantiate my ruling I should like to refer the committee to Beauchesne's *Parliamentary Rules and Forms*, fourth edition, citation 203 on page 171. Paragraph (1) of citation 203 reads:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

It is with regret that I must inform the committee that the Chair is refusing the amendment of the hon. member for Skeena.

Mr. Howard: May I make a comment and, if necessary, raise a point of order? I would point out with deference that the initial discussion entered into by the Minister of Labour and myself under clause 9 as renumbered dealt specifically with the amendment I have proposed and dealt with the actuarial consideration that was given to reducing that. The minister did not object to entering into the discussion and no point of order was raised that it was irrelevant and did not deal with the question. No opinion was expressed by you, Mr. Chairman, that our discussion was out of order. Therefore it would seem that the amendment followed the discussion precisely.

The Chairman: Order. It has been brought to the attention of the committee by myself and the deputy chairman that we insist on all members adhering to the rule of relevancy. It may be that sometimes it escapes the attention of the Chair that the member who is speaking may be out of order but whenever the Chair has observed that hon. members are not adhering to the rule of relevancy it has been brought to their attention. In the present instance the amendment proposed by the hon. member is out of order and must remain as such.

Clause agreed to.

Clause 10 agreed to.

The Chairman: I must remind members once again that all clauses are being renumbered. In other words, clause 10 is actually numbered in the bill as clause 11.

Clauses 11 to 21 inclusive agreed to.

On clause 22—*Coming into force.*

(Translation):

Mr. Caron: Mr. Chairman, at this point, I merely want to point out how right I was in saying that, if the Minister of Finance (Mr. Fleming) stayed away for the remainder of the afternoon, things would go very well in the house.

(Text):

Clause agreed to.

Title agreed to.

The Chairman: Shall the bill as amended carry?

Mr. Martin (Essex East): On division.

The Chairman: Shall I report the bill?

Mr. Martin (Essex East): On division.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time?

Mr. Martin (Essex East): Next sitting.

Mr. Pickersgill: Next sitting.

SUPPLY

The house in committee of supply, Mr. Rea in the chair.

DEPARTMENT OF JUSTICE

A—Department—

149. Departmental administration including annual contribution of $200 to the conference of commissioners on uniformity of legislation in Canada, $741,825.

(Translation):

Mr. Eudes: Mr. Chairman, while we are discussing the estimates of the Minister of Justice (Mr. Fulton), would his department be kind enough to inform the house what progress is being made in implementing the recommendations of the Fauteux commission.

The parole board has now replaced the remission service.

It would be of general interest, I think, to make known the number of prisoners in this country for the various provinces, also how many of these prisoners' files have been studied by the new parole board and the result of that study.

The committee would also be interested to hear from the minister how this parole board operates.

I suppose that, as I do myself, several hon. members—

(Text):

Mr. Fulton: Mr. Chairman, if the hon. member will permit, it had been my expectation that I would have to deal with this subject on the second item, item No. 150. At that time I will have the officials of the new national parole board with me and if it is agreeable to the hon. member to wait until the next item we could deal with that subject then.

(Translation):

Mr. Eudes: I presume that, as I do, many hon. members get from their electors requests for assistance in securing parole for a prisoner. What is the procedure to be followed in such cases? What advice can we give to those electors who, in all confidence, solicit assistance?

In that connection, would the minister please explain, later on, the increase in estimates on item 150? That item, which for 1956-1957, amounted to $224,180, has now been raised to $344,531 for 1959-1960. And I hope he will be able to satisfy the committee that this increase furthers the purpose of the national parole board.

On April 22 last, as recorded on page 2928 of *Hansard* I asked the Minister of Justice the following question:

1. Have any representations been received by the government to appoint a woman member to the national parole board?

2. If so, from whom have any such representations been received and what action, if any, is contemplated?

The minister replied as follows:

Since this question involves the necessity of circularizing my colleagues, I would ask that it be made an order for return.

And the house decided accordingly, but the return has not yet been forthcoming.

Eight weeks have elapsed since then. I presume that, in the meantime, the Minister of Justice has circularized his colleagues and that he is now in a position to reply to my question.

Could the minister tell us how many women are now in prison, and inform us how the national parole board proceeds with their rehabilitation?

That rehabilitation matter is, in my opinion, extremely important. In recent years, especially after the investigations made by the Fauteux commission and the recommendations embodied in its report to the cabinet, the government, and society, have been taking a more humanitarian view of prisoners.

As a result of Freud's discoveries in the field of psychoanalysis and of the work carried out by his disciples in that same field and in the field of psychiatry, for some years now, lawyers and legislators have come to take a different view of men who at one time were simply described as criminals.

The view today is that the person condemned is perhaps not solely responsible for the crime he has committed. Society environment and family life, to an extent which is impossible to specify but which exists, have also shared in the commission of the crime.

Fortunately, today, a condemned man is no longer considered as a criminal. He remains a human being, whose rehabilitation is a duty upon society.

In Canada, in recent years, great progress has been made in this field.

However, among the convicted there are women. To help in their rehabilitation, I feel that a woman should be appointed to this national parole board.

Now, Mr. Chairman, I should like to join with the hon. members who have commended the Minister of Justice for his bill to increase the number of superior court judges, particularly in the province of Quebec. This bill, when it comes into force, will help make the administration of justice more efficient.

It is my hope that the time lapse between the date when a case is registered for a hearing and the date of the investigation will be shortened.

A similar bill had in fact been suggested by the predecessors of the Minister of Justice, but for reasons known only to "Lady Politics", the bill never saw the light of day because of a lack of assent on the part of the Quebec government.

In closing, I should like to ask another question of the Minister of Justice, namely whether capital punishment has been abolished.

Over the weekend, another death sentence has been commuted to life imprisonment. I think I am not mistaken in stating that, since this government took office, 90 per cent of death sentences have been commuted by order in council.

I am not taking a stand either for or against the death penalty.

However, I find that section 206 of the Criminal Code has not been amended, and this section contains the following provision:

Every one who commits murder is guilty of an indictable offence and shall be sentenced to death.

A judge who sentences a person found guilty of murder by a jury has no alternative.

There is, of course, the royal prerogative of remission, whereby the governor general, as the representative of Her Majesty the Queen, can commute a sentence of death by hanging to a sentence of life imprisonment.

It is known that His Excellency the Governor General exercises this royal prerogative only on the advice of his counsellors, the cabinet in council.

In view of the number of commuted sentences, we have a right to ask whether the present government, without admitting it, has decided to abolish the death sentence.

However, it is parliament's responsibility to decide whether the death sentence should be maintained or abolished.

If the government favours abolition, it should have the courage to submit its opinion to the house.

It will be recalled that last April, Justice A. M. Manson, of Kamloops, stated in no uncertain terms, that by its actions, the cabinet was substituting itself for parliament, and that the executive was appropriating legislative power. Carrying this thought a little farther, it might be said that the judiciary no longer serves a useful purpose.

After all, it is permissible to believe, in practice, in the abolition of the death penalty, without the act having been amended.

May I point out to the minister that the government's policy in this matter is hardly in line with the solemn pledges made by some members of his party in the last elections, when they promised to restore the prestige and prerogatives of parliament, the alleged infringements of which still remain to be proved.

Every member of this committee will be pleased, Mr. Chairman, to hear the comments of the Minister of Justice on those matters.

(Text):

Mr. Howard: Mr. Chairman, I have a specific matter to raise which concerns a question of justice having been denied to certain people in Canada. The particular item before us at the moment affords the only opportunity for this denial of justice and removal of rights to be raised in a formal way. I would say from the outset that the feelings which I am going to express and the action which I am going to propose should in no way be interpreted as casting any reflections whatsoever upon the present Minister of Justice or the operations of the department. It is merely that he happens to be the minister and is thereby charged with the responsibility, by statute, of making recommendations with respect to certain matters. His responsibility in so far as this question of the denial of justice to, and the abrogation of the rights of, people in a certain part of Canada is concerned is established by virtue of section 4 (d) of the Justice Act.

Therefore, because justice has been denied and delayed to certain people in Canada, because their freedoms have been removed in an arbitrary and despicable way, and because their fundamental rights have been interfered with, I feel it is necessary to afford this committee the opportunity to express its views, both by voice and by vote, on this particular matter. Accordingly, I would move:

That vote No. 149 be reduced to $1.

I do this, as I mentioned earlier, because justice has been denied, freedoms abrogated and fundamental rights removed by reason of the passage of Bill No. 2, trade union (emergency provisions) act, dated March 6, 1959, by the house of assembly of the province of Newfoundland, and by reason of the failure of the federal government to disallow this particular piece of legislation. This is being done as a matter of principle only and is not designed to interfere with the operations of the department.

Amendment (Mr. Howard) negatived: Yeas, 5; nays, 49.

(Translation):

Mr. Meunier: Mr. Chairman, I wish to draw the attention of the minister to a fact that has happened recently.

The Minister of Justice visited Montreal this week, and addressed the better business bureau on the subject of restrictive trade practices. In an interview he gave at the end of his conference, he stated his views on a much discussed trade practice, that of the premiums given by dealers to their customers in exchange for trading stamps or coupons.

The minister said that trading stamps are a matter of provincial jurisdiction, because they have to do with property and civil rights. It is deplorable that the minister did not give a more definite explanation of his views on that problem, so that we could know exactly where the matter stands, because when a question such as this is put to a public man without notice, his answer can possibly be incomplete.

I take the liberty of disagreeing with him on that point, and to remind him that the

matter of trading stamps comes under the Criminal Code, especially under sections 322(b) and 369.

Section 322(b) of the Criminal Code defines trading stamps as follows:

"trading stamps" includes any form of cash receipt, receipt, coupon, premium ticket or other device designed or intended to be given to the purchaser of goods by the vendor thereof or on his behalf, and to represent a discount on the price of the goods or a premium to the purchaser thereof—

Section 369 of the Criminal Code lists the penalties for persons who use trading stamps.

The section reads as follows:

(1) Every one who, by himself or his employee or agent, directly or indirectly issues, gives, sells or otherwise disposes of, or offers to issue, give, sell or otherwise dispose of trading stamps to a merchant or dealer in goods for use in his business is guilty of an offence punishable on summary conviction.

Subsection (2) also deals with the offence committed by the merchant who issues trading stamps to his customers. I have read the annotated code of the learned Justice Lagarde. His book contains remarkable comments on that trade practice, and he has no hesitation in saying that the sale of trading stamps or premium stamps, as they are commonly called, constitutes an offence. He says about section 369 that everyone who issues trading stamps to a merchant to be used by the latter in his business commits an offence. And at subsection (2), he expresses the opinion that the merchant who issues trading stamps to his customers commits an offence.

I must point out to the minister that that matter of trading stamps is detrimental to trade in general, favourable to the big dealers and prejudicial to the small ones.

The Canadian Consumer Association, the Canadian Labour Congress and other organizations have clearly come out against the practice and have urged the government to stop it. The principal argument invoked, as I said earlier, was that the practice was favourable to big dealers, detrimental to small ones, and that the distribution of trading stamps is done at the expense of consumers. In fact, the dealer who buys his stamps for distribution to his customers has to pay for the stamps and for the goods he gives out as premiums, and naturally he has to mark up his goods accordingly. In the last resort, the consumer foots the bill and has that much less money to meet other expenses.

Thus, the sale of trading stamps becomes a restrictive trade practice because the small dealer cannot compete on the same basis as the big one. The big dealer, with a high volume of sales, does not have to mark up his goods as high as does the small dealer and, consequently, the small dealer is the victim of unfair competition.

I ask the minister to consider the remarks I have made, and if he is not convinced that the matter of trading stamps is not covered by the Criminal Code, he should amend the code in order to eliminate this evil of unfair competition, so that the small dealer will be freed from annoyances of that kind which are quite detrimental to him and which finally lead to the loss of all that he might have earned as a result of years of hard work.

(Text):

Mr. Regier: Mr. Chairman, I have a matter on the first item of the minister's estimates which I really hate to raise because I have to say things about the present Minister of Justice that I never expected I would have to say in this house. It is a question concerning the minister recommending to Central Mortgage and Housing Corporation a list of the attorneys who would be acceptable to the government to act on behalf of Central Mortgage and Housing Corporation. I am afraid that in this matter the government can be charged at least with party politics of almost the worst and most discriminatory kind.

It is obvious from the records that I have been supplied with that a certain lawyer or attorney, a Mr. Irving Freeman, of St. Catharines, Ontario, was placed on a list of attorneys who would be acceptable to the government of the day in May of 1957 to act on behalf of the government in cases involving Central Mortgage and Housing Corporation. I would like to read a portion of a letter sent by the office of the minister's predecessor to Mr. Freeman under date of May 22, 1957. It says in part:

In reply, I am pleased to confirm that on the recommendation of Mr. Cavers, you have been listed on May 13th, 1957, for your share of the legal work of the corporation at St. Catharines.

This, Mr. Chairman, indicates that the practice that the minister is now pursuing was also being pursued by his predecessor. I might add for purposes of identification that the individual concerned, Mr. Irving Freeman, served at one time, as I understand it, as an alderman on the St. Catharines city council at a time when the present member for Lincoln was mayor of the city.

Upon the assumption of office of the minister after the upset of the Liberal government apparently a new list of acceptable attorneys was made up and Mr. Freeman noted that he was no longer on the list of acceptable attorneys. Therefore he wrote and applied for his name to be placed on the list of attorneys acceptable to the minister's department for legal work in connection with whatever work Central Mortgage and Housing Corporation might have in that area. He applied as early as October 17, 1957, and I have in my hand a copy of the letter sent to Mr. Freeman by Central Mortgage and Housing Corporation dated October 25, 1957, in which they say:

We have for reply yours of October 17.

In selecting legal agents we adhere to a list provided to us by the Department of Justice. Because our discretion is limited to this extent we regret that we cannot initiate action to have your name included on the list of agents who may undertake work for us from time to time.

I hope the minister will explain why his department submits a list to Central Mortgage and Housing Corporation of who or who might not be adequate attorneys to act on their behalf. I believe that an institution such as this—a well established crown corporation—ought to be given the right to determine who should or should not be doing its legal work in various places across the country. It is very obvious from the letter sent to Mr. Freeman on October 5, 1957 that Central Mortgage and Housing Corporation cannot engage a lawyer anywhere in Canada unless such attorney's name is on the list submitted to the corporation by the minister. I fail, in the first instance, to see the need for this procedure in any respect. It is obvious that Mr. Freeman was unable to get his name placed on the list again after the assumption of office by the new minister, and I understand that there has been some correspondence since between Mr. Freeman and the hon. member for Lincoln, representing, I presume, his area. I should like to read into the record a letter which the hon. member for Lincoln has sent to Mr. Freeman. The date of this letter is December 16, 1957, and it says:

Your name has been referred to me for certain reasons of which I think you are aware.

I should like to underline every word of that first sentence. This hon. member said to Mr. Freeman, an applicant to be placed on the list as an attorney eligible to do business on behalf of a crown corporation:

Your name has been referred to me for certain reasons of which I think you are aware.

The letter goes on:

In our way of living one is often asked to approve of someone's abilities to fulfil certain obligations.

I have no quarrel with that.

You will recall that you undertook to certify against my abilities to assume certain obligations, which you did in a public way.

The only construction I can place on that is that obviously Mr. Freeman was active in the election campaign, and not active in the interests of the hon. member for Lincoln. However, the letter goes on:

Knowing your opinion of me, I am neither for you nor against you.

I should like to compliment the hon. member for Lincoln on that statement. I wish I could say that subsequent actions were able to bear this out.

If you have changed your mind about me, I could change my thoughts about you, also.

This is the crowning glory of it all, Mr. Chairman, since you will recall that this letter was written on December 16. It concludes:

Wishing you and your family the season's greetings.

Mr. Pickersgill: This is the government which abolished patronage, is it?

Mr. Regier: I am very pleased to note that the hon. member for Lincoln holds no grievance against this attorney in St. Catharines because he was, obviously, a Liberal or a supporter of the C.C.F. I do not know what he is; I am taking this up as a matter of principle. However, he was assured that if he would only change his mind about the abilities of the hon. member for Lincoln that might have some effect, and he might be placed again in the good graces of the Central Mortgage and Housing Corporation in the roundabout way of receiving the nod from the Minister of Justice.

I have here another letter which worries me a little more in that it involves the integrity of the minister which I had always held to be beyond the shadow of a doubt. On August 30, 1958 the hon. member for Lincoln once again writes a letter to Mr. Freeman, and he opens it in this way.

I have been asked by the Department of Justice to write to you regarding Central Mortgage and Housing Corporation legal work in connection with direct central mortgage and housing loans in Lincoln county.

Now it was our understanding that parliamentary secretaries had not yet been appointed, and we completely fail to appreciate the procedure whereby an hon. member of this house who is not a member of the government but only a supporter of the government is able to write to a person in his constituency in this way, and I hope the minister intends to deal with this particular matter. I have always assumed that the minister was able to deal with his own

responsibilities and that he was able to deal with his own correspondence and that other members of parliament at no time receive authority to write letters and say that they have been asked by a department of the government or by a minister to take up a certain question. That would introduce an entirely new principle into our process of government.

This individual, apparently a persistent man, carried out a considerable correspondence with the minister, the hon. member for Lincoln and the Prime Minister. He finally realized he was not going to get very far under the present arrangement or system, so he mentioned in one of his letters that he may have to appeal to public opinion by way of revealing what has taken place in the newspapers and to members of the opposition in the House of Commons. In this regard, having been advised of Mr. Freeman's intention, the minister writes a letter to Mr. Freeman under date of February 12, 1959. The last part of that letter reads as follows:

Mr. Fulton: Read the whole letter.

Mr. Regier: It is rather long. It is two pages long. Very well.

I acknowledge your further letter of January 29 in which you protest against not being retained to act for C.M.H.C.

You state that you intend to write to the newspapers and others about this matter in accord with the draft letter which you have sent me.

It is of course a matter entirely for you to decide as to what you write, or to whom, and therefore I make no comment upon your announced intention, except to let you know that the sending or withholding of such a letter will have not the slightest effect upon the situation.

My responsibility as Minister of Justice includes recommending from time to time the names of lawyers across Canada who are best able to perform the legal work that the government of Canada or certain of its agencies may require to have done. In carrying out this responsibility it is my duty to exercise my judgment as to the names of those who should be recommended, on the basis of the best assessment I can make of the situation.

At this point I should like to interrupt and ask the minister what was the basis of his assessment? Was it as indicated earlier in this correspondence that the attorney was unwilling to recommend the election of the hon. member for Lincoln, or had he any other basis of assessment? I continue:

This is a matter which is kept under constant review.

As far as I can find out there was only one occasion when a review took place and that was when the Liberals were defeated. The old list was abolished and a new list of Conservative attorneys was brought in. I continue:

In addition to general assessments on the basis of what appears in the standard law lists, any lawyer, including yourself, whose name is drawn to my attention, from any source, has his ability to perform the services in question carefully weighed and assessed in the light of the work requiring to be done. In the case of work for an agency such as C.M.H.C., or indeed any other work for the government, one of the additional factors to be borne in mind is of course the necessity to ensure that those recommended for the particular work can have no conflict of interest as between their other client or clients and the government or agency in question. My recommendations are made from time to time on the basis of these assessments and you are quite in error in your conclusion that there is any other basis.

I recognize that there will of course not always be unanimity of opinion as to the conclusions reached or the recommendations made, but this is true in all situations where judgment must be exercised. In this respect, the government of Canada is in no different position from private persons who may also from time to time have to choose between lawyers whose services are available.

May I interrupt again and say I am not in agreement with that claim of the minister because a huge corporation such as Central Mortgage and Housing Corporation is being paid for by all the taxpayers of Canada and therefore all lawyers regardless of their political affiliation, and all other factors being equal, ought to be entitled to their share in the work that this large corporation does. To return to the letter:

I am not aware that it has ever been established as a principle that a lawyer is entitled to complain because a client has chosen not to avail himself of that lawyer's services, but has preferred another. In any event, even if complaints are made, it is and must always remain the responsibility of the government, just as it is in the case of an individual, to decide whose services will be used. In this case the government acts on my advice.

The minister fully confirms his role in this situation by those words. I continue:

While I regret that my decision in your case is disappointing to you personally, nevertheless, it is the sort of decision that it is my responsibility to make and for which I am prepared to accept responsibility. Perhaps it may occur to you that the fact that you have on two occasions resorted to direct or implied threats to write to the papers and elsewhere—

You will note, Mr. Chairman, that the opposition is known as "elsewhere". I continue:

—in your efforts to influence my decision, can only reinforce my judgment on the question of whether you are a suitable person to be retained by the government of Canada.

In other words, the minister is here claiming that an attorney who insists on his rights as a Canadian citizen, who puts a little bit of confidence in the Prime Minister's oft-expressed intentions in regard to a bill of rights and who uses the means available to him of informing the people of Canada what is taking place, is no longer eligible for service to the government in the eyes of the minister once he has resorted to these things.

The letter goes on to state:

If therefore you do carry out your intention to send out letters in the form of the one you have sent me, I can only suggest that you should send, in each case, a copy of this letter also. In that way, those who receive your letter will have all the facts.

I might add that they would not have nearly all the facts. Some of the letters I placed on the record earlier should also be known to the public. However, the gentleman in question did not let the matter drop at that point but appealed to the Prime Minister in reply to which he received a letter from the executive assistant and private secretary to the Prime Minister, Mr. Guest, which caused me some added concern. The letter reads in part as follows:

Naturally, as a lawyer myself, it is embarrassing for me to see a colleague at the bar actively soliciting clientele in this manner,—

Some hon. Members: Oh, oh.

Mr. Regier: Yes, Mr. Chairman, Conservative members in this house who are barristers may applaud. They may think there is merit in that sentence. I say it is a despicable sentence and an intolerable thing that a citizen of Canada should be denied his rights as a citizen, whether or not he is a lawyer, to ask frankly and in a polite way over a period of years that he be restored to a position that he held under a previous government. The correspondence reveals that he was placed on the roster by the previous government not because he was a Liberal but because he was able to persuade the former minister of the equity of his claim. That is how he got on the roster at that time and was able to do some work for Central Mortgage and Housing Corporation. However, Mr. Guest continues:

—but it may be that there is some special circumstance you do not disclose which excepts this situation from the usual ethical considerations governing practice.

Under ordinary circumstances, your letter would be forwarded to the Minister of Justice for his comments, but since you say that you have been finally informed by him that your name would not be recommended to the corporation as counsel, I presume there would be little purpose in such action on my part. If, however, you feel that this office or the Prime Minister could render you any ethical assistance in soliciting legal business, I would be very pleased to hear from you.

That is the crowning glory of all of this correspondence. Here is the Prime Minister's offer to assist this barrister to obtain a livelihood in an ethical fashion after the government of the day so unethically removed his name without cause. There is no indication of any complaint against the man in any of the correspondence. According to the correspondence he committed only one offence and that obviously was when he found himself unable to endorse the election to this house of the hon. member for Lincoln. That is something I thought we were getting away from in Canada. I am very disappointed to see a British Columbia member of the cabinet involved in this kind of deal. I hope he will take steps to rectify the situation. I know that no minister can be informed of everything that transpires in his office. I can only express the hope and the wish that all of this has taken place without the knowledge of the minister and without his agreement and consent, and that this has all been done by one or more officials in his department, and that he will take early action.

The last letter I wish to refer to is dated February 24 last. It is a letter to Mr. Freeman from the minister, in which the minister says:

I really do not think that there is anything that I can add to what I said in my letter of February 12 in which I outlined the basis of selection of lawyers to represent the government of Canada and its agencies generally, in so far as my responsibility is concerned. I refer you particularly to the fifth paragraph of my letter of February 12, and to the last sentence of that paragraph.

In this letter the minister merely reminds the lawyer in St. Catharines of what he had said on an earlier occasion, and particularly the last paragraph and the last sentence which is as follows:

If, therefore, you do carry out your intention to send out letters in the form of the one you have sent me, I can only suggest that you should send, in each—

Mr. Fulton: My hon. friend is reading the wrong paragraph. The letter of February 24 reads:

I refer you particularly to the fifth paragraph of my letter of February 12, and to the last sentence of that paragraph.

The last sentence of that paragraph reads:

My recommendations are made from time to time on the basis of these assessments and you are quite in error in your conclusion that there is any other basis.

Mr. Regier: I wish to apologize to the minister. I have made some marks here and I was in the wrong paragraph. However, the minister again refers to his letter of February 12 and this letter in the main, Mr. Chairman, is a claim by the minister that he reviews these lists from time to time. I hope the minister can now disclose what is the basis of such review, whether or not political affiliations and history of crown attorneys are involved in this review, and how often he has made such a review since taking office.

As I indicated earlier, I hope the minister will agree that this situation ought to be remedied. I notice that my house leader had an order of the house passed on April 20 last, and at noon today a reply had not been received, the order of the house had not yet

been complied with. I do not see why an order of this kind has not been complied with in seven weeks time. It seems to me it has become a growing habit of this house to supply members of parliament with information on the day after the estimates have passed this house, and I think it is very much to be regretted. For a number of years now we have had the annual reports of a number of crown corporations or of ministers in our mail boxes on the morning following the final passing of the estimates. The motion passed by this house on April 20 last read:

> For a copy of any letters, lists or other memoranda sent to Central Mortgage and Housing Corporation by the Department of Justice since January 1, 1956, stating the names of legal agents that may be engaged by the corporation.

That, Mr. Chairman, involved a copy of only a few lists, if the minister has in fact reviewed the list from time to time. If the minister has never reviewed the list and only once submitted a list that would be acceptable to a Tory government, then there would have been only one list to file in order to comply with the order of the house. Our only assumption can be, unless there is a satisfactory explanation, that this thing has been delayed for seven weeks until after the estimates have been disposed of.

Mr. Fulton: I think I should deal with this matter immediately. I shall start with a reference to the return. Without hesitation I apologize to the hon. gentleman if the return has not been brought down. I thought it had, because it is a nil return. I say that on the basis that the communications with respect to the employment of legal counsel are not sent in the manner suggested. I do from time to time advise my colleagues, the ministers for various departments, in response to their requests for such advice, as to what lawyers might appropriately be retained by their departments as agents, or by the various agencies for which they are responsible. This advice is sometimes given orally; occasionally it is given in the form of memoranda and, of course, as such it is correspondence between ministers which is of a privileged nature. There is no correspondence of this sort between my department and C.M.H.C., in any event, and therefore there is nothing to bring down in response to the order of the house. I am sorry, indeed, if the hon. member feels aggrieved because he had not been informed of that earlier.

With respect to this situation generally, there are a number of facts here which have not emerged clearly from the account which has been given by the hon. member for Burnaby-Coquitlam and which I think should be placed upon the record. In placing them upon the record I regret if anything I have to say may seem to reflect upon the lawyer who is the subject of this correspondence. However, I shall confine my remarks to a statement of facts and if the facts should seem to be any reflection, then I regret that I find it necessary because of the position in which he himself has placed me and the hon. gentleman from Burnaby-Coquitlam has placed me whereby an explanation is essential. I think the committee is entitled to an explanation.

Mr. Regier: I had his permission.

Mr. Fulton: I am not suggesting the hon. gentleman did not have his permission.

Mr. Regier: I did.

Mr. Fulton: It is perfectly true that Mr. Freeman has been attempting for something over a year and a half to obtain work as an agent for Central Mortgage and Housing Corporation. I start with this premise, and here I take direct issue with what the hon. member for Burnaby-Coquitlam has said. It is not, as I conceive it, the right of any lawyer in Canada that he should have his services retained by the government or by a government department. On that basis, if the proposition were accepted, it would be necessary for us eventually to retain the services of every lawyer in Canada.

It is my responsibility as Minister of Justice, as I indicated in my letter which has been placed on the record, to advise the government of Canada and the various departments and agencies thereof—and those departments are, of course, advised by their ministers—as to who are the lawyers practising in Canada whose services might be properly retained on behalf of the government. I think I should at this point and in order that it might appear here in the context, read what I said to Mr. Freeman:

> My responsibility as Minister of Justice includes recommending from time to time the names of lawyers across Canada who are best able to perform the legal work that the government of Canada or certain of its agencies may require to have done. In carrying out this responsibility it is my duty to exercise my judgment as to the names of those who should be recommended on the basis of the best assessment I can make of the situation.

I doubt whether any member of this house would disagree with this statement. It is not possible to employ every lawyer in Canada. As I have said, no lawyer in Canada is in a position where he can come and say, "I have an absolute right to be retained by the government". Even if he did, we do not have enough work to retain them all. Therefore, it is necessary for the minister to make a selection as between the lawyers whose services are available.

As I have explained in the letter which has been read, in making an assessment of those lawyers whose services can be retained we assess the ability of the lawyer in question to perform the services in the light of the work to be done, and in the case of work for an agency such as Central Mortgage and Housing Corporation, or indeed any other work for the government, one of the additional factors to be borne in mind is, of course, the necessity to ensure that those recommended for the particular work can have no conflict of interest as between their other clients or client and the government or agency in question.

It is significant, Mr. Chairman, that in the course of his efforts, which have continued, as I said, since December 10, 1957 at least, to assert a right to work for Central Mortgage and Housing Corporation, Mr. Freeman has made it clear that one of the reasons he wanted to be retained was that he had clients who have loans from Central Mortgage and Housing Corporation. Perhaps the hon. member for Burnaby-Coquitlam has not been told that by the lawyer in question but that appears in one of the letters he wrote.

Mr. Regier: Would the minister permit a question?

Mr. Fulton: I would prefer to complete the statement of facts at this time. I want to emphasize to the committee that in a reply that Mr. Freeman received on January 6, 1959 from my executive assistant that matter was drawn to his attention. Perhaps I should read that letter in full. It is dated January 6, 1959 and is marked "private" but I assume that since the lawyer himself has raised the matter it is in order for me to disclose the full correspondence. The letter, as I say, is signed by my executive assistant. It reads as follows:

Dear Mr. Freeman:

My minister has instructed me to acknowledge receipt with thanks of your letter of December 11, 1958, in connection with Central Mortgage and Housing Corporation work in the St. Catharines area. The matter of agents for the C.M.H.C. in St. Catharines has been thoroughly reviewed and we find that at present, considering the quantity of work involved, there are more than a sufficient number of lawyers who have already been instructed for the corporation's work. These matters are reviewed from time to time, however, and your interest in being of assistance to the corporation will be kept in mind when the review is taking place.

One other part of your letter that should perhaps be discussed is the fourth paragraph where you mention particularly C.M.H.C. work for a builder who is also a client of yours. The policy of the Central Mortgage and Housing Corporation and indeed, of all government departments, is that no lawyer may act both for his client and the C.M.H.C. or the department at the same time. I am sure you will readily understand the reason for this rule when you consider the conflicts of interest that could arise. It would, therefore, not be possible to authorize your use on C.M.H.C. work involving your own clients in any event.

Thanking you for your continued interest,

Yours sincerely,

After that I received several further letters from Mr. Freeman, including a letter dated January 29, 1959 objecting to the decision and stating in part:

To begin with, I intend to send copies of the enclosed letter to the Prime Minister, the editors of the St. Catharines *Standard*, the Toronto *Globe and Mail*, the Toronto *Daily Star*, the Ottawa *Evening Citizen* and the Ottawa *Journal*. After I have done so, I then intend to contact Mr. Hazen Argue and perhaps one of the other opposition members to see if this matter can be raised on the floor of the House of Commons.

This was not the first direct or implied threat—I use the word "threat" but perhaps I should use the word "statement"—that the lawyer in question intended to take this matter to the press and to the floor of the House of Commons. I replied to him in full knowledge of that possibility. As I have said, and as I said to him, it is my responsibility to make assessments of those lawyers who are suitable and qualified to do work for the government and its departments and agencies, and that is a responsibility which I accept. I make my recommendations to my colleagues accordingly and I have not recommended the name of Mr. Irving Freeman.

As I indicated to Mr. Freeman, there are a number of factors that I take into account in making my assessment of the qualifications of lawyers to serve the government. In making such assessments and weighing qualifications, one of the factors that will and must weigh with me is the methods followed in cases such as this by such lawyers to have their services retained. I do not regard it as an indication of high qualification for a lawyer to importune the department and the minister to have his name placed upon a list. Particularly I do not regard it as evidence of high qualification with respect to legal ability for that lawyer, when he finds that his importunities are not acceded to, to say, "Very well, I am going to write to the papers and go to the leader of the C.C.F. and see that the matter is spread all over the record." I have no objection to the publicity but I suggest that I am entitled to take that attitude into account and the question of whether it is a proper professional attitude to take when I am weighing the qualifications of that lawyer to have his services retained by the government of Canada.

I point out, Mr. Chairman, so far as any question of influence is concerned, that the record shows clearly that Mr. Freeman first

had his name placed on the list by the former Liberal member for this constituency in May of 1957 so it must have taken Mr. Freeman some considerable time to persuade the former government of his qualifications if he was placed on the list just one month before that government was defeated. My information is that his efforts in that direction were also continued for some considerable time.

Then again, with respect to the question of whether any member of parliament interested himself in the matter, because my hon. friend seems to suggest that it was wrong for the present hon. member for Lincoln to have an interest in the matter, the correspondence establishes clearly that Mr. Freeman requested the present member for Lincoln to do what he could to have Mr. Freeman's name placed on the list. Therefore I find it extraordinary that my hon. friend should suggest there is anything wrong in finding on the file correspondence between the present hon. member for Lincoln and Mr. Freeman.

I can only say, of course, with respect to the particular terminology of one of these letters that I can take no responsibility for the phrase, "I have been asked by the Department of Justice to write you about this particular matter." I have not had the opportunity to discuss with the hon. member for Lincoln exactly why he used those words but I fancy that what he intended to imply was, "I have discussed this matter with the Department of Justice and am writing you accordingly to advise you of the situation." I say that because, as the hon. member has said, we do not ask private members of parliament to write official letters on behalf of the department. I understand that the fact is that the hon. member for Lincoln properly reported the situation as he had learned it in the course of discussions with myself and my executive assistant.

Therefore, Mr. Chairman, I do not think there is very much more to be said on that point except that I have no apologies to make for the decision I reached with regard to the question whether or not Mr. Freeman was a suitable person to recommend to my colleague, the Minister of Public Works, as a lawyer whose services should be retained by Central Mortgage and Housing Corporation. As I have pointed out, it is my responsibility from time to time to make assessments as between lawyers and in making these assessments I am required to exercise judgment as to who is the most suitable and best qualified person or persons to use, and I recognize that in forming these judgments, as in every case where judgment is necessary to be formed, there will be those who disagree with the judgment. It does not surprise me to find that Mr. Freeman disagrees with my assessment of him but that is something which, while I may regret it, I cannot alter. I merely repeat that under all the circumstances I can see no reason why I should change my opinion or assessment and I have no intention, whether by virtue of the fact that the lawyer in question has written to my hon. friends opposite or for any other reason whatsoever, of changing that assessment.

Mr. Regier: Mr. Chairman, I think it is very obvious that if Mr. Freeman needed this work he would not have followed the course he did. He would have continued to beg the hon. member for Lincoln and the minister to be placed on the list. I suggest that Mr. Freeman's whole object was to raise his voice in objection to having been removed from the list of those eligible without cause and that the correspondence reveals that he came to the conclusion, and obviously it was the only conclusion he could come to, that the reason for his dismissal was political and had nothing to do with the work he had been doing on behalf of the crown corporation. I am very pleased to have the minister tell us that the hon. member for Lincoln had no authority to write that he had been asked by the Department of Justice to write regarding this matter.

I should like the minister also to say whether or not the hon. member for Lincoln had authority to indicate on December 16, 1957 that if Mr. Freeman would change his mind about the hon. member for Lincoln things might be different, and there might be some hope he would be again placed on the list of those eligible. I should like to know whether or not the minister knows anything about this sentence in the letter of December 16 which I quoted earlier:

> If you have changed your mind about me, I could change my thoughts about you also.

I feel the minister should make it very clear that his decision concerning Mr. Freeman had nothing whatever to do with what Mr. Freeman's thinking might have been about the hon. member for Lincoln.

The minister supplied some information that seems to be at variance with the contents of this correspondence. Central Mortgage and Housing Corporation, in a letter dated October 25, 1957, file No. 100-15-6, says that in selecting legal agents they adhere to a list provided to them by the Department of Justice. The minister informs us, in response to an order of this house, that no list is in existence. The minister is in effect, therefore, saying that the general counsel

for Central Mortgage and Housing Corporation, Mr. Wilson, is very much in error when he claims in his letter to Mr. Freeman that they adhere to a list provided by the Department of Justice. The minister even seems to indicate here and there throughout his argument that all he did was to telephone the Minister of Public Works once in a while, more or less indicating that occasionally a new barrister ought to be added to the list; that it was a matter of an afternoon conversation or a telephone call. I hope the minister is able to clear up this matter of exactly how this list is compiled and when it was last compiled.

There are indications from the corporation and from the minister's department, at least from the correspondence with the minister's department, that a new list was prepared when the minister took office. If such a new list was prepared, the expectation of the hon. member for Assiniboia should certainly have been dealt with, and we should not be faced with the answer that no list does, in fact, exist. The hon. member for Assiniboia asked for all letters, lists or other memoranda, dating back to January 1, 1956.

I should like to clear up another point. Mr. Freeman is not asking for the right to do legal work for the government of Canada or any of its crown corporations.

Mr. Fulton: He certainly is; he is demanding the right.

Mr. Regier: Mr. Freeman is in the same position as other attorneys in equal circumstances, he is asking for the right to be placed on the list of those eligible to do work for the government of Canada. This is an altogether different thing from demanding the right to do any work. Even though you may be on the list, your turn may never come as the minister well knows, and as I am sure is already indicated in the correspondence.

There was one further insinuation by the minister, not only in this committee but also in some of the correspondence, and that concerned a conflict of interest. Does the minister mean that none of the attorneys who are on the eligible list now never had a nodding acquaintance with anyone who has ever used the services of Central Mortgage and Housing Corporation? If that is so, his imagination must be rather vivid indeed. Mr. Freeman uses the case in point to back up his argument and to indicate to the minister that he knows something about the housing field and therefore is capable of dealing with matters of this kind at any time. Does Mr. Freeman really complain that he is unable to serve two masters at the same time? Like all lawyers, even he would know he could not be serving two masters at the same time.

Mr. Smith (Lincoln): Mr. Chairman, may I call it six o'clock?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Herridge: Mr. Chairman, I want to deal this evening with a case which was brought to my attention some months ago over which I spent a lot of time. I have listened to the representations not only of the person who considers himself the victim but a number of other quite responsible citizens from Montreal. I have promised these people to bring this matter to the attention of the minister in the committee on the first item of the minister's estimates.

I might say that in dealing with this question I have done a bit of reading, but one must realize that when an ordinary layman gets into the field of law he finds himself tangled up very easily. However, I make these representations tonight on the basis of our own law, the royal proclamation of October 7, 1763, the Quebec Act, the Constitutional Act, the Union Act and the British North America Act, and more particularly upon the recent expressions of concern with respect to the rights of the individual which have been exhibited in the parliament of Great Britain.

It is very pleasing to note that in the parliament of Great Britain, where they are concerned with serious international and national questions, they do find time to deal with the grievance of the humble subject. In that connection, Mr. Chairman, I was so interested in this case that I want to place on record an extract from *Newsweek* of March 2, 1959, which is as follows:

The Lad in the Gallery

The House of Commons was hushed. In the distinguished strangers gallery, the 16-year old grocer's boy from the Scottish highlands sat tensely between his parents—sandy hair slicked back, elbows on knees, eyes wide. Below him on the floor, Britain's Prime Minister Harold Macmillan had risen from the front bench to his feet. "I will make a statement about John Waters."

For the watching boy, whose name had thus become the official business of parliament, it was a long-awaited moment. For the assembled M.P.'s and the public in many countries, it signified parliamentary democracy in its most majestic role—as guardian of the rights of the individual citizen.

John Waters' plea for justice went back fourteen months, to the night he was found bleeding and bruised in an alley near his home in the little northern Scottish town of Thurso. The boy claimed he had been beaten up by two local constables, after giving them "a bit of lip". His parents had

appealed to the law officers of Scotland for an inquiry, and produced seventeen witnesses to support John's charge. But the lord advocate, backed by the secretary of state for Scotland, ruled that their own investigations did not justify further inquiry.

Winslow Boy?

The Waterses found a powerful defender, though, in the Conservative M.P. from their own district—

And all credit to him.

—Sir David Robertson. Impressed by the boy's references, which he said were "far better" than his own would have been at that age, Sir David pressed the matter relentlessly in parliament, and gradually gained the support of nearly 200 fellow members. The British press took up the case, comparing Waters to George Archer-Shee, the naval cadet whose exoneration in the courts 50 years ago on a charge of stealing had recently served as the basis for Terence Rattigan's play "The Winslow Boy".

Last week, Prime Minister Macmillan temporarily cast aside the great affairs of state—Cyprus, Germany, his own trip to Moscow—to tell the house that he had personally investigated the Waters affair, and decided, in view of the "grave public disquiet" that a high judicial tribunal should probe out the truth.

Cheers from both benches greeted his announcement. Parliament passed the government notice unanimously. A three-man tribunal, appointed by the government, will soon meet in Edinburgh to establish just what happened on the night of the alleged assault, and what the police did about it. Commons would then decide on the next step.

In all, Britain's parliament had spent 90 minutes discussing the private grievance of one red-cheeked errand boy who had gotten himself into trouble. But few M.P.'s regarded this as time ill spent. Macmillan spoke for most of them at the end when he said, quietly, "It is encouraging to feel that at a moment when our minds are filled with the great problems between nations and vast political issues ... we should turn to try to do justice to individuals."

It is on that account that the mother of parliaments retains the respect it does throughout the commonwealth and throughout the world.

Mr. Chairman, in proceeding with my brief remarks, the statement I wish to read, which is a portion of a television program, contains some criticism of justice in this country and judges. I might say in that respect that members of parliament have the same rights as individuals to criticize the courts and to criticize justices. I want to quote briefly first of all an excerpt or two which have been brought to my attention to support my contention. We find that Lord Russell in the Queen versus Gray, 1902 Queen's Bench, page 35 at page 40, said:

Judges and courts are alike open to criticism, and if reasonable argument or expostulation is offered against any judicial act as contrary to common good, no court could or would treat that as contempt.

Mr. Justice Duff in the Alberta Bill case said:

It is illegal to interfere with the right of public discussion as to substantially interfere with the parliamentary institution of Canada.

[Mr. Herridge.]

Then I noticed quite recently in the March 16, 1959 issue of *Newsweek* the following opinion expressed by Mr. Justice Black of the United States supreme court:

Back in 1898, Mr. Justice Brewer stated in an address that many criticisms may be "devoid of good taste, but better all sorts of criticism than no criticism at all".

In 1941, Mr. Justice Black said in writing for the majority concerning a contempt case against the Los Angeles *Times*: "The assumption that respect for the judiciary can be won by shielding judges from published criticism wrongly appraises the character of American public opinion ... an enforced silence, however limited, solely in the name of preserving the dignity of the bench, would probably engender resentment, suspicion, and contempt, much more than it would enhance respect."

Dissenting in the same case, Mr. Justice Frankfurter nevertheless said: "Therefore judges must be kept mindful of their limitations and of their ultimate public responsibility by a vigorous stream of criticism expressed with candour however blunt."

The late Mr. Justice Jackson wrote in "The Supreme Court in the American System" that "criticism by the profession" is one of the important criteria in appraising a decision's "real weight in subsequent cases".

The court is a responsible, human institution. To elevate it above criticism would be to create a tyranny above the law and above the government of which it is a part.

Mr. Chairman, as I said in opening my remarks, I have had discussions with the person who considers himself victimized and as having suffered an injustice. I have had discussions with a number of responsible and quite well known citizens in Montreal with respect to this case. I have read masses of correspondence. I have a large file concerning this matter and I have gone through it very carefully, and you will readily understand, from the point of view of the layman, that it is very difficult to appreciate the finer points of the law. But after those discussions and conversations and reading extensively and listening to the representations of well known responsible people from Montreal, I have come to the conclusion that this gentleman suffers a measure of injustice, and at the request of the people concerned I am bringing it to the attention to the minister in the house.

To make it as brief as possible, I am simply going to read an extract from a television program that was given in connection with this case in Montreal. I might say that before doing that, after the television program was given, which was on, I think, November 3 of last year, the gentleman in question intended to give it over the C.B.C. and he submitted the text to a lawyer. I would now like to quote from the *Gazette*; I am not sure of the date, but I have a cutting here:

He said he submitted the text of his speech to his lawyers before the telecast and was assured

it contained nothing libellous. All references to individuals had been removed.

Mr. Chartrand said C.B.C. lawyers would not say that the speech was libellous but they did say at the same time that it was "delicate".

He said he is not setting aside the possibility of suing the C.B.C. to obtain "freedom of speech".

At Ottawa, a C.B.C. spokesman said the corporation's own lawyers and those of the justice department had advised the C.B.C. that there was a possibility the courts might find Mr. Chartrand's statement defamatory and contemptuous. For that reason, the C.B.C. declined to broadcast the speech again.

It was in the first instance given over a television program on the C.B.C.'s network. I intend to quote only briefly from this speech given over the C.B.C. television service to indicate the nature of this complaint. To go into the details of all the correspondence and the amount of evidence which has been presented would have been impossible in the time one has on these occasions and, moreover, would be, I think, completely ineffective on my part. However, these are extracts from the television program, and I should explain that this is a translation; the telecast was given in French, and it has been translated, I may add by a gentleman who does not pretend to be a particularly efficient translator. It is headed "The Sommer case".

There is one particular case, that of Edward Sommer who was the only son and an heir of Abraham Sommer who died September 3, 1934. Mr. Sommer left an estate of about $2 million in property at depression era values (which means they are worth much more today) and $185,000 of insurance.

Edward Sommer has been in court for many years. At a certain time, he wanted to intervene in a case that concerned this inheritance. An important judge declared on June 30 that he had already rendered judgment on June 7. Mr. Sommer wrote the judge to ask him for the judgment and he never saw it.

In other words, the court rejected a request to intervene, saying that the matter was settled. But the case is not settled, there exists no judgment.

Mr. Sommer complained to the bar. He complained against certain lawyers. The bar did not have him summoned for a hearing, but rather the lawyer whom he had blamed summoned him before the bar.

He appeared in court once more, and the judges criticized him severely from the bench.

Finally, on September 27, he appeared in court for a case. The crown prosecutor challenged him and asked the judge to have him confined for mental illness. An individual was brought forth as witness who has not proved that he was a doctor certified by the college of physicians. He decided that he had already seen him (Sommer) for several minutes in court following proceedings, and that the Mr. Sommer in question suffered from schizophrenia.

All this without Mr. Sommer being able to speak. While this was going on in French at which time he, being English, was requesting that proceedings be conducted in English and that he be permitted to cross-examine the witness, the provincial police took him and brought him to the cells at Bordeaux.

After 12 days, he was seen by a social worker, who could not understand why he was there. After 20 days, the medical superintendent of Bordeaux came to see him and told him that he could not understand why he was there.

Then it was that some friends, who by chance found a conscientious lawyer at the court (there are some conscientious lawyers, and also conscientious judges) requested a writ of habeas corpus.

Here is what Judge Ouimet said in rendering his decision on the habeas corpus writ:

"There is no doubt in the mind of the undersigned that the regulations of article 451 were not observed in the present case, for the following reasons:

'There is no proof of a qualified medical practitioner before the judge:

The ruling of the judge is oral;

The petitioner was deprived of incontestable right to cross-examine according to the Criminal Code and the principles of natural justice.

In the opinion of the court, these substantial flaws are fatal and as a result the sending of the petitioner to prison for mental examination was invalid and of no effect.' "

Conclusion: Judge Ouimet maintained the writ of habeas corpus, declared the detention of Sommer and the deprivation of his liberty unjustified and illegal, and ordered that he be set free.

Mr. Chairman, I have quoted briefly from the telecast given on behalf of Mr. Sommer. The rest of the telecast continued in similar vein. I have quoted one extract dealing with what this gentleman claims to be a series of injustices which he has suffered at the hands of the courts of Quebec and at the hands of various gentlemen of the legal profession in Quebec. Once again, I wish to say that I have read the correspondence very carefully —a very slow and tedious task—and I have listened to the representations of responsible people who feel seriously concerned about the injustice which they say this gentleman has suffered. As I said before, I promised I would bring this matter to the attention of parliament and to the attention of this committee. I have done so, and I now urge the minister to give this matter his consideration and bring it to the attention of the attorney general of the province of Quebec.

Mr. Fulton: I should like to say at the outset how much I appreciate the manner in which the hon. member for Kootenay West has raised this matter. It is a subject which the hon. member and I have discussed briefly on former occasions and in connection with which, as he knows, I have already made some inquiries. But while I appreciate the reference which was made to the inquiry in the United Kingdom, the hon. member will in turn appreciate that although we are no less concerned here we do operate under a federal system as distinct from the unitary system in the United Kingdom. Therefore I can only tell the hon. gentleman that the responsibility for making inquiries into this matter on the basis of the allegations made rests, in the first instance, with the provincial

authorities. In saying that I must also say at once that I do not, of course, intend to suggest that the allegations are well founded. That question could only be established on the basis of such an inquiry. I have already referred this matter to the provincial authorities by whom, I understand, it has been investigated. I should like to say to the hon. member just this: I will, of course, gladly bring to the attention of the attorney general of Quebec the further remarks that he has made on this subject with the request that they be carefully considered and the matter again carefully investigated.

Mr. Regier: Mr. Chairman, there is a matter which has caused me considerable concern over many long years, and that relates to the minister's statement that we have a different system from that which prevails in the United Kingdom and that the result, in effect—and I do not want to misinterpret what the hon. gentleman said—is that this question must rest with the provincial authority.

I fail to see how we can even begin to think of a bill of rights for Canadians while we are content to have the administration of the rights of Canadians rest with the provincial authorities. I fail to see how we can even begin to advocate the introduction of a bill of rights for Canadians as Canadians and yet continue this old and outmoded idea that our rights as Canadians should be forever subject to interpretations which may be decided upon by ten different attorneys general in ten different Canadian provinces.

I feel that this is the position which has to be faced by the Canadian people. I say that either we have rights as Canadians or we do not have rights as Canadians, and if we do not have rights as Canadians we might as well be known as Newfoundlanders or Manitobans or British Columbians or anything else. I feel that the minister is leaning over backwards as have all other ministers in insisting on the prerogatives in the provincial attorneys general to enforce the rights of Canadians as Canadians.

I wish now to return to the debate that occurred in this chamber before the dinner hour. During the dinner recess I had occasion to read some correspondence and I am unable to reveal it because I have not permission to do so as I had with respect to other correspondence to which I referred. I have received correspondence from attorneys of the city of Ottawa who are complaining about there being a select list of well-known supporters of the Conservative party whose names are placed on a list for legal work for Central Mortgage and Housing Corporation or attorneys who may not be well-known as Conservatives but who are partners in legal firms who have been known to make a donation to the Conservative election fund and thus have been placed on the preferred list while Liberal and attorneys of other political faith have been removed from that list.

The minister indicated before the dinner hour that there is no such list. He made that statement despite a letter I read into the record earlier in the day in which it was said that Central Mortgage and Housing Corporation is bound to engage attorneys who are on a list supplied by the minister's department. The minister has not yet satisfied us as to whether or not there is a list and concerning who is responsible for that list. The minister indicated a certain measure of responsibility but at the same time contradicted himself when he said there was no list. The committee is entitled to receive an adequate explanation as to whether there is a list, when it was last revised, who was advised of the revision of the list and why that revised list was not disclosed to the House of Commons in response to an order of the house dated in April that any such lists be disclosed. The order was passed in April and it is now June. There was ample time to disclose the list.

I know I have heard a lot of appeals to professional dignity but may I say it is my conviction that within the ranks of the Tories there is no such thing as professional dignity. There is purely political patronage and professional dignity has to take a secondary role.

Mr. Ricard: Stop crying and shut up.

Mr. Regier: I regret that a minister from British Columbia would associate himself for one moment with a matter of this kind. I expected that he would denounce this practice but he did not. He simply sought to get out from under by casting slurs at one attorney in the province of Ontario who had the guts and initiative to defend his rights as a Canadian citizen.

Some hon. Members: Sit down.

Mr. Regier: All this attorney was asking for was that he be placed on the eligible list and if he could not be placed on the eligible list all he asked was that he be informed as to why he was removed from the eligible list of attorneys who are able to act on behalf of Central Mortgage and Housing Corporation.

An hon. Member: Go back to the garbage.

Mr. Spencer: Mr. Chairman, would the hon. member permit a question? I am quite interested in the subject matter that he has raised and I should like to ask him a question in order to clarify this subject. Inasmuch as he appears to be giving to the committee

some advice which he thinks we should follow, I would like to ask him this question. If I as a lawyer were to publicly proclaim that the hon. member does not possess the attributes required to properly represent his constituency would he then think that I had the soundness of judgment that would warrant his recommending me as a lawyer to represent Central Mortgage and Housing Corporation?

Mr. Pearson: Why, of course he would!

Mr. Regier: I am very glad the hon. member asked that question. I would say that many of the men in my riding who openly advocated that I be defeated at the last election are honourable men and are worthy of appointment by any government. I do not like to see a government in office that pursues the idea that anyone who participates in election campaigns ought to be denied his rights as a Canadian citizen. I will say to the hon. member that there are as many liars in the legal profession as there are in any other profession in Canada today, if not more.

An hon. Member: Withdraw.

Mr. Regier: No, I will not withdraw that statement. The hon. member who is asking me to do that is a farmer. I say there are more honest agriculturists in Canada than there are honest lawyers. There are a lot of lawyers in the C.C.F. movement. There are many lawyers who realize that the day is coming when human rights will take precedence over property rights.

The Chairman: Order. I must remind the hon. member that at the present time we are discussing the estimates of the Department of Justice. I do not believe that subject has anything to do with the fact that there are some liars in the legal profession. I must tell the hon. member that he is completely out of order in pursuing this irrelevant discussion.

Mr. Regier: Mr. Chairman, I can assure you that I will not pursue the question of the number of liars there may be in the lawyer profession.

Mr. Benidickson: No, Mr. Chairman; the non-practising ones.

Mr. Regier: Mr. Chairman, I wish to ask the Minister of Justice a question with regard to the list referred to in the correspondence, which list the minister did not see fit to deny exists. I want to know how the list of acceptable attorneys is prepared and whether or not there was a complete revision of that list after the election of 1957 and how such a list might be made available to this committee?

Mr. Fulton: Mr. Chairman, as I explained before the dinner hour, it is one of the responsibilities of the Minister of Justice and a responsibility which I take most seriously, to advise my colleagues as to the lawyers in various parts of Canada who may be considered qualified to represent the government of Canada either as agents of the Minister of Justice or on a individual basis to act for the agencies of the ministers concerned.

This is a matter which I take extremely seriously because I believe that the standards of legal representation and the conduct of counsel representing the government, whether as agents of the minister or as solicitors or counsel retained in individual cases, are matters of the greatest concern and importance to the public of Canada. I, therefore, take this part of my duties extremely seriously.

I explained to the hon. gentleman before dinner that with respect to the advice which I tender to my colleagues, I tender it to them as part of my duties and in a fashion which represents or forms part of that interdepartmental or interministerial discussion which is, of course, a matter privileged from being produced in the house. I believe there may have been one inaccuracy in what I said before dinner because I said that we did not supply directly to the department or agencies thereof lists of persons who may be retained. I have checked the matter since and I find that as a matter of departmental administration, where other departments, such as the Department of National Revenue particularly and one or two others, are in a position where they constantly or frequently need on short notice the services of solicitors or counsel where such counsel particularly are the agents of the Minister of Justice, there I do provide to my colleagues and through them to their departments what might be called standing lists of agents. I am at pains to ensure that the agents so nominated are proper and worthy representatives of the government of Canada and are proper persons to act as agents of the Minister of Justice.

Mr. Benidickson: That includes the Bank of Canada?

Mr. Fulton: I shall refer to that matter of detail in a moment.

In regard to the other area in which I am called upon by my colleagues to advise them as to the names and qualifications of lawyers who may be retained in individual cases, I have explained this afternoon the basis upon which my assessment is made and the basis upon which I so advise my colleagues, and I have nothing to vary or retract in that connection. I shall, however, amplify what I said then by saying that I do take pains,

in consultation with my advisers, to ensure that the character, qualifications and reputation of those whom I recommend are of the very highest order. As I explained this afternoon, such advice is given to the ministers of the other departments.

With respect to the point my hon. friend tries to make out of the fact that the general counsel or general solicitor of C.M.H.C. had written a letter saying that they confine their selection to the lists provided by the Department of Justice, there is some technical inaccuracy there with which I do not quarrel, my point being that I do not provide directly to C.M.H.C. as such any lists.

Some hon. Members: Oh, oh.

Mr. Fulton: My responsibility is to advise my colleague the Minister of Public Works and there is a close connection between my office and his office in that connection.

Mr. Benidickson: You advise the Minister of Public Works?

Mr. Fulton: Certainly, and as my hon. friend knows, it is the constitutional responsibility of the Minister of Justice to advise the other departments of government as to legal problems that might arise. I trust this is a complete explanation of the manner in which this advice is given.

Since this matter has been raised in connection with the position of a particular lawyer in a manner which I regret and in the manner in which my hon. friend has raised it again, it makes it incumbent upon me to state the facts as to the qualifications which I believe to be present with respect to any lawyer whom I shall recommend to my colleagues. I feel I have no option, in the light of the correspondence that was read this afternoon and in the light of what has just been said by my hon. friend, but to lay before the committee some of the ethical standards which are supposed to be followed by lawyers and which I look for in any lawyer before I will recommend him as a suitable representative or lawyer to be retained by this government or its agencies. The committee will remember that there was read into the record this afternoon by my hon. friend the letter from me to Mr. Freeman in which I pointed out that in my view a matter which I would take into consideration in assessing the qualifications of a solicitor was whether or not he made direct or implied threats as to what he would do if he was not given certain work.

My hon. friend will recall and the committee will also recall that there was placed on the record references to correspondence which established perfectly clearly that Mr. Freeman had been carrying on a campaign by which he attempted to assert his right to be retained by the government of Canada, his right to have business from the government of Canada. Let me read to the committee from the proceedings of the fifth annual meeting of the Canadian Bar Association, held in 1920, in the course of which they laid down certain canons of ethics. These, I believe, have been revised from time to time, but I am informed that in substance and in effect these canons of ethics are still those which the bar association has said should govern the conduct of members of the profession. I read from page 264, the duty of a solicitor or lawyer to himself, subparagraph (3):

> The publication or circulation of ordinary simple business cards is not per se improper but solicitation of business by circulars or advertisements or by personal communications or interviews not warranted by personal relations, is unprofessional. It is equally unprofessional to seek retainers through agents of any kind. Indirect advertisement for business by furnishing or inspiring newspaper comment concerning causes in which the lawyer has been or is connected, or concerning the manner of their conduct, the magnitude of the interests involved, the importance of the lawyer's position, and like self-laudations defy the traditions and lower the tone of the lawyer's high calling, should not be tolerated. The best advertisement for a lawyer is establishment of a well merited reputation for personal capacity and fidelity to trust.

I can only repeat what I said this afternoon, Mr. Chairman—

Mr. Regier: Are you laying a charge?

Mr. Winch: Are you laying a charge?

Mr. Fulton: —that, on the basis of the correspondence which my hon. friend introduced into the record of this house and on the basis of my opinion as expressed in that correspondence at the time, formulated as it then was and still is, on the basis of what I regard to be the standard of ethics which should be followed by solicitors, I have no reason to change my opinion that the gentleman in question should not be placed upon the list for the receipt of government business.

Mr. Winch: Will you lay a charge against Freeman?

Mr. Fulton: I say that as the minister merely exercising his constitutional advisability to advise his colleagues as to who are proper lawyers for them to retain.

Mr. Pickersgill: Just insinuation and innuendo.

Mr. Benidickson: Mr. Chairman, the Minister of Justice enunciated or repeated the enunciation of the Canadian Bar Association in convention in 1920 as to the proper ethics for a barrister or solicitor. Has he since

assuming office received from any member of the Canadian Bar Association, or on behalf of any member of the Canadian Bar Association, representations that seem to be in contravention of the ethics enunciated there? If so, has he in any respect given any work to any of these people as a result of representations of this kind?

Mr. Fulton: The answer to both parts of the question is no, with the possible exception of the case under discussion.

Mr. Regier: I cannot let the ministers statement go. He said that Mr. Freeman is carrying on a campaign. May I remind the minister that all of the correspondence reveals that Mr. Freeman, in a completely ethical manner, appealed to the government without success, I regret to say, for a period in excess of a year and a half to explain why he had been removed from the list of those eligible to act on behalf of Central Mortgage and Housing Corporation and all the answers he received over the whole 18 months indicated very clearly that the only reason he had been removed from the list was that he was not a Conservative and had not acted on behalf of the Tory party candidate.

Mr. Fulton: That is quite inaccurate. There were placed on the record this afternoon the reply directed to Mr. Freeman by my executive assistant and the reply of myself both of which explain that there are an adequate number of lawyers in St. Catharines to do the work available and, further, that since one of Mr. Freeman's revealed interests in being nominated as an agent of C.M.H.C. was that he had clients who had loans from C.M.H.C. we felt this was an incompatible position, and that was another reason for our refusal to place him on the list.

Mr. Regier: I think the dates of the correspondence will reveal that this was only an example used by Mr. Freeman to prove a point away on in the discussions and the minister is on very weak ground because he cannot claim and has not even attempted to claim that the lawyers who are on the list do not also have clients who have a nodding acquaintance with Central Mortgage and Housing Corporation. I think that the letters of the hon. member for Lincoln completely expose all the contentions of the minister in this regard. In other words, if you will change your mind about me I might change my mind about you and you might still get on the list.

I appeal to the minister to end this nonsense, to be as honest as a number of other members of the government have been and to announce here and now that in his department at least no pork barrel politics are going to be tolerated. I indicated earlier that it is not only this lawyer in southern Ontario who is involved. During the dinner hour I read reams of correspondence from lawyers in the city of Ottawa confirming what I said before six o'clock, that when the Tories took office they abolished the old list and established a new one consisting only of Conservatives.

The minister has not yet said why Mr. Freeman was removed from the list of eligible lawyers. I am not concerned with him being read out of the Ontario bar association. If the Ontario bar association wants to be that reactionary and silly that is entirely up to them. All I can say is that all the mutterings and beefings of the Tory backbenchers about unions will be completely exposed as a farce if the Ontario bar association shows itself to be the most reactionary of all unions in the whole Dominion of Canada.

Mr. Freeman is appealing to the parliament of Canada on the basis of his right as a citizen of Canada to be placed on the eligible list. He is not asking for any business or any guarantee of remuneration. The minister may laugh and in the eyes of the Tories this may be a laughing matter. After all, they put on a great big circus show in the election financed by millions of dollars. This man is appealing on the basis of his right as a citizen to be placed on the eligible list. The minister is denying him that right and the minister has not yet put forward one single argument as to why this man was removed from the list of lawyers in the province of Ontario who are eligible to do this work. I should like to ask the minister to explain why this man was removed from the list. The minister now claims that the fact that Mr. Freeman has revealed this situation to the opposition obviously shows that he is ineligible. To my mind the fact that this man has revealed the situation to opposition members shows that he is concerned with a bill of rights for Canadians, and any bill of rights that the Prime Minister will introduce will be a farce if there is going to be a continuation of pork barrel politics.

Mr. Grafftey: Pompous indignation.

Mr. Denis: Mr. Chairman, we have had a rather lengthy discussion about Mr. Freeman's eligibility. If Mr. Freeman had no freedom of eligibility, surely we have freedom of speech here, and one can come to the conclusion that Mr. Freeman had freedom more or less so far as eligibility is concerned. To me it looks like it was a question of patronage. What the hon. member has just said goes to prove to the committee that before the election those who are now in power criticized the former government for patronage but now they are doing the same, if not worse as the previous government.

Mr. Ricard: So you were doing it then.

Mr. Denis: I rose just to ask one question of the Minister of Justice. I am very surprised not to see his assistant, the Solicitor General, who should be here because, although he has no ministry of his own, although he has no job to do because he was replaced by a kind of commission, still in the estimates of the Minister of Justice there is an item which concerns the Solicitor General. There is a statutory item of $17,000 but maybe the Solicitor General does not care and is not interested because we cannot lower the amount. I should like to know from the Minister of Justice if the Solicitor General is still in office and still has a job to do since the inauguration of the new commission. We do not see much of him, especially when his department is to be discussed.

I am told by many members of the government that they are checking the number of speeches made in the house but without checking anything we know that the Solicitor General is not so loquacious as the previous speaker who dealt with the Freeman matter. The Minister of Justice has invited us to ask questions or make observations before he makes a general statement, and we would like to know what is left to the Solicitor General as far as his job is concerned. Is he interested in this new unemployment insurance scheme extending the benefits he will get from 36 weeks to 52 weeks? We do not know.

The Chairman: Order—

Mr. Denis: I should like, Mr. Chairman, just in passing—

The Chairman: Order; I must remind the hon. member that we are at present discussing the estimates of the Department of Justice and it is out of order to discuss the actions of the Solicitor General or of any other member of the Department of Justice. At the moment, we must confine our remarks to matters that touch upon the administration of justice.

Mr. Pickersgill: On the point of order—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —surely, the salary of the Solicitor General, which is a statutory item, is shown under the heading of the Department of Justice in the blue book. Surely when my hon. friend is seeking to find out what functions, if any, the Solicitor General performs, he is seeking to find out how the Department of Justice is administered.

Mr. Denis: Exactly; that is the question I wanted to ask the Minister of Justice. However, I have had a bad example from him and from the other hon. member who has just taken his seat, in making lengthy statements. What are the functions of the Solicitor General, now that some of his duties have been removed from him?

Mr. Fulton: Now that the hon. member has come to his question and has refrained from making these rather light remarks about his colleague from Quebec, the Solicitor General, I can tell him that the functions of the Solicitor General still relate to advising His Excellency with respect to the prerogative of mercy, with respect to pardons and remissions which are under the royal prerogative, and advising on capital cases.

Mr. Denis: May I ask—

Mr. Fulton: The functions of the Solicitor General have not been altered that substantially from what they were under the previous administration, when his salary was not questioned.

Mr. Denis: Far from questioning the salary of the Solicitor General, I may say that the previous solicitor general had more to do than the present holder of that office. Most of his duties have been taken away from him since the commission has been established. He may do some other job in this department, but I am surprised that he is not here because, after all, he is working for the Department of Justice. If he is an adviser to the department, why is he not here? Perhaps he has something to do with the new definition of obscene literature or something, we do not know.

Mr. Fulton: No, the answer, Mr. Chairman, as the hon. member well knows in spite of what he is saying is that the Minister of Justice is responsible for the administration of the Department of Justice. The Minister of Justice is here to answer questions that may be asked with respect to the administration of his department. If my hon. friend will confine himself to asking questions instead of casting needless slurs, I shall be glad to answer his questions.

Mr. Pearson: The Solicitor General's functions obviously have not increased, which makes it perhaps more surprising that under this item we find, whereas the department was able to do with 117 employees last year, this year they find it necessary to have 133. Why has there been this increase in staff?

Mr. Fulton: The answer, Mr. Chairman, is that the number of personnel in the department has been increased. The comparison with last year is as follows: In the office of the Minister of Justice there are 10 persons as opposed to 11 last year; in the office of the Solicitor General, there are 7 as

opposed to 7 last year; in the legal branch of the department, there are 116 as opposed to 103 last year. The increase, therefore, is mainly accounted for by the increased number of persons in the legal branch of the department.

Mr. Pearson: Page 216 of the blue book shows that there has been an addition during the last year of nine stenographers. Would the minister account for the necessity of having nine more stenographers?

Mr. Fulton: Mainly because of the increased volume of work.

Mr. Pickersgill: Can the minister explain why it takes from March 25 to June 18 not to produce a return for which this house has asked with these nine extra stenographers to do it?

Mr. Fulton: I do not bother my departmental staff with that kind of thing for which the hon. member for Bonavista-Twillingate asked; that is prepared in the minister's office and is ready for tabling now.

Mr. Pickersgill: This is the most preposterous statement that has been made by any member on the treasury benches since this government took office. What I referred to was an order of this house, of parliament itself, and this is the government that is upholding the rights of parliament. The answer is, I do not bother the department with what parliament desires; it is done in the spare time in the minister's office when they are not busy writing letters to Mr. Freeman, or whatever his name is. This is an absolutely outrageous attitude, and indicates quite clearly why parliament is not getting from this department what parliament has ordered.

Mr. Fulton: If the hon. member can show me any way in which he has suffered by the fact that the return is not yet brought down I shall be interested. I point out to you that I pay attention to the orders of the house, which is something different from when my hon. friend's government was in power. What my hon. friend asked for in the return which he—

Mr. Pickersgill: I did not order it, parliament ordered it.

Mr. Fulton: —now mentions was the reproduction of a number of personal letters exchanged between private individuals and the Minister of Justice. My department is not overstaffed. Many of the officers of the department are working overtime. We have not too many stenographers. The hon. member was interested in getting his return in time for the discussion of my estimates, and he will have it in time for the discussion of my estimates. It has been prepared, in so far as I was able to see it could be done, without interference with the responsibilities of my department for the administration of justice in the interests of the people of Canada.

Mr. Pickersgill: I might point out that the minister is, of course, completely in error in saying that when I was a minister I did not comply with the orders of the house. He can examine the record any time he wishes and he will find that on very few occasions was there more careful compliance with these orders than during the period when Mr. St. Laurent was prime minister. The matter was reviewed by Mr. St. Laurent himself regularly, once a week, because of the great respect he did show for parliament.

I might say also that a motion was made by me to have a return from the Prime Minister as well as from the Minister of Justice, and although the Prime Minister's staff is a great deal smaller than the staff of the Minister of Justice the return was made by the Prime Minister over a month ago and we are still waiting for the return from the Minister of Justice.

Mr. Pearson: The minister used to talk a great deal about elimination of waste and extravagance and the unnecessary number of civil servants, so will he explain to the committee, as he has not yet explained, why it is necessary to have nine extra stenographers to do the work done by a smaller number a couple of years ago?

Mr. Fulton: One of the reasons is that we have taken on, in order to bring our establishment to what has always been agreed to be what we should have, but what we have not yet reached, some seven extra legal officers. I do not expect that the Leader of the Opposition would expect legal officers to function without stenographers, and that is one reason why the extra stenographers were necessary. In addition, I am assured by my officers that there has been a substantial increase in the volume of work and correspondence coming into the department and we are anxious to keep abreast of the work in order that people may receive immediate replies to their correspondence so that their problems and requests may be dealt with as expeditiously as possible.

Mr. Pearson: Will the minister point out where on page 216, which I have before me, which is the details of departmental administration, the seven extra legal officers mentioned on that page appear under departmental administration?

Mr. Fulton: I think there may be an error of one in my figures. If my hon. friend looks at page 216 he will see that there are 17 senior advisory counsel as opposed to 16, 11 advisory counsel as opposed to 10, 3 advisory counsel grade 1 as opposed to 1. That accounts, I think, for an increase of four. I am told that one administrative officer grade 5 is a lawyer.

Mr. Pearson: He is an administrative officer.

Mr. Fulton: That makes an increase of five. Each one of those five requires a stenographer. I am told there are in addition two stenographers to take care of the extra work in two other sections; the extra work which, as I said, is accumulating and which is in part reflected by the addition of the five extra lawyers on the staff.

Mr. Pearson: On the same page there is a new appointment, an assistant private secretary. He appears in this list as private secretary to the Solicitor General. Is this assistant private secretary to the Solicitor General a new appointment?

Mr. Fulton: No; that is an assistant private secretary to the Minister of Justice.

Mr. Pearson: And that is a new appointment?

Mr. Fulton: That is correct.

Mr. Benidickson: An extra item of expense.

Mr. Richard (Ottawa East): Mr. Chairman, this gives me the opportunity to renew my annual plea to the Minister of Justice to set the wheels going to amend the Expropriation Act, or to study the Expropriation Act. As I have said before, the Expropriation Act in itself is an abrogation of civil rights and should be used sparingly. The Expropriation Act as it stands on our statute books now is very old. It was designed in the first place for strict government use in the days when it was first passed. For example, it was used for the expropriation of land for post offices, defence projects, etc. Over a number of years now the Expropriation Act has been used for various purposes for which it was not originally intended. That is why the provisions of the original Expropriation Act act unfairly toward the people whose property is expropriated. There are many cases of that. For example, I have brought this before the house many times, the case of land expropriated for parks or other purposes for the federal district commission.

I spoke to the Minister of Justice about this some time ago and he intimated to me that something was being done about the Expropriation Act. I might say, of course, that I am not alone; there is enough correspondence I am sure with the Minister of Justice. There are also articles in the bar reviews and judgments of the exchequer court and other courts, all of which complain of the growing use of the Expropriation Act and the restricted clauses which do not define properly the basis upon which a value should be placed of lands which are expropriated. Therefore, without saying very much, I know the Minister of Justice knows what I am talking about. He appreciates, having read the bar reviews and the articles and judgments I have referred to, that something should be done with regard to the Expropriation Act to re-define it according to better modern usage.

Mr. Fulton: I might tell the hon. member that we have been studying the Expropriation Act within the department and we have now got to the point where it has become necessary for us to circularize other departments concerned. We have written all the other departments concerned and are awaiting their replies. As soon as their replies are received we shall be able to move our own studies forward.

Mr. Roberge: Mr. Chairman, on that question of the increase in staff in the office of the Solicitor General, I should like to refer the question to the Minister of Justice. I assure the minister that I am doing so not at all in the way of anti-friendship for the Solicitor General. On the contrary, the hon. Solicitor General is the only schoolmate I have in this house, and we were received at the bar in the same year and I have high regard for him. But I would like to know if possible the breakdown of the personnel working in this office of the Solicitor General.

Mr. Fulton: I will obtain that and give the hon. gentleman a detailed reply before the estimates are carried.

Mr. McIlraith: I would like to ask the Minister of Justice when he is dealing with the subject of expropriation if he would examine into the reason for the delays in his department in the handling of payments after settlement is made on land purchases through the national capital commission. I may tell him that there has been a considerable extension of the time required to make payment of those settlements after they leave the national capital commission and before they are received in the hands of his agents who actually deal with the closing out of the transactions. Would he look into that matter and seek to rectify it?

Mr. Fulton: If my hon. friend would be prepared to give me details, either here or privately, I would be very glad indeed to look into any such case.

Mr. McIlraith: The sort of thing which happens is that after a cheque is issued by the national capital commission it usually takes two weeks from the time it leaves that office until it is received by the minister's agent who turns it over to the person to be paid. That delay is wholly abnormal because at that time the department have no fiduciary duties in connection with it. The duties of the department have ceased after the cheque is issued, the necessary certificates are issued and the other preparatory work is done. There has been an extension in the time taken after the Department of Justice is advised of a settlement and the agent of the department is instructed to clear up the transaction. In these two parts of the transaction there is a considerable delay, and it is working a real hardship on the persons concerned because, as the minister knows, where there is not possession the crown does not pay interest and in the few cases where it does pay interest the interest is at 5 per cent and the cost of borrowing money is much greater at this time to the person concerned. If a settlement has been reached, they are entitled to the money, and it is their money which is being unduly withheld when there is any improper delay.

Mr. Fulton: I should be very much concerned if there were any improper delay, and I hope that if the hon. gentleman knows of any cases of improper delay he will bring them to my attention. I understand he had some conversation with the officials of my department a year ago when he was requested to supply particulars of any cases he had in mind. However, I am advised that he has not so far given us particulars of any such delays.

Mr. McIlraith: I should be very glad to give particulars of these cases to the minister.

Mr. Regier: I wonder if the minister will now admit whether or not there is an official list of attorneys being supplied to the Central Mortgage and Housing Corporation as a guide to whom they may or may not employ to do legal work.

Mr. Fulton: I think that question should be directed to my colleague the Minister of Public Works because, as I have explained twice already, such recommendations as I may make are made, as must always be the case, to the minister under whose authority an agency such as the Central Mortgage and Housing Corporation works.

Mr. Regier: I must say that in view of the admissions the minister has made during the past couple of hours his answer is not exactly adequate.

Mr. Fulton: It is the third time I have answered the same thing.

Mr. Regier: The minister has admitted that he makes recommendations. We are not sure to whom he makes these recommendations or why or on what ground he makes them. May I ask the minister why he makes recommendations if he knows nothing of a list of eligible attorneys in the possession of Central Mortgage and Housing Corporation? Why does he make any recommendations whatever?

Mr. Fulton: I make them because, as I understand it, it is my constitutional responsibility to do so.

Mr. Regier: In other words, I take it the minister admits that there is a list of eligible attorneys.

Mr. Fulton: If the hon. member is unable to understand the situation I do not think there is anything further that I can say. I have explained this three times already, and if the hon. gentleman cannot understand it I regret I am unable to contribute to the clarification of his mind.

Mr. Regier: I know the minister well enough to know that he will regret those words on reflection. I also know his sensivity when it comes to political considerations. The minister knows very well indeed, and has in effect admitted, that there is in existence a list of eligible attorneys. I am not going to blame the minister. In fact I feel sympathy for the minister, and most of the Canadian people have a good deal of sympathy for the hon. gentleman and cannot understand why he has been kept under wraps and not allowed to expose himself and all his potentialities. However, there is such a list in existence—

An hon. Member: You have said that before.

Mr. Regier: I know I have said it before. Some of the Conservatives need to be told a lot of things time and time again because they are so deaf that they will not hear. The minister admits that there is a list and that he makes recommendations to that list. I should like to ask the minister as to the basis upon which he makes his recommendations. He has spoken of such a basis, and the correspondence makes reference to such a basis. On what basis are members of the bar removed from the list and on what basis are others added to the list?

Mr. Fulton: I think perhaps I should refer to this question of the removal of lawyers from the list. It might interest hon. members to know that when I took office as Minister of Justice I inquired as to who were the solicitors who were considered by the department to be qualified professionally to perform services for the government of Canada, because I was taking over a new department and, as the hon. gentleman will appreciate, at very short notice. I was assured that there had been left in my department no lists of solicitors or lawyers. They must have been removed, and there was absolutely nothing to which I could look for guidance concerning qualified lawyers to work for the government of Canada. It was therefore necessary for me to start from the beginning to compile with my officers a list of qualified lawyers.

I can assure the hon. member that contrary to what he has suggested there have been a number of cases in which lawyers retained by the former government have continued to work for the present government. However, as I have said, I did consider it necessary to exercise my responsibility as to the advice I tender to my colleagues regarding whether a lawyer is qualified to work for a department or for an agency.

It does not follow, of course, that of those I have recommended certain persons must be used. That is the responsibility of my colleagues. After all, this is a government which believes in the doctrine of collective responsibility. I do not seek to question my colleagues as to how they administer their departments, and the details of questions such as the hon. member is pursuing must come, if they can be produced at all, from the ministers of the departments to whom I make my recommendations. As I said, these recommendations are matters of discussion between ministers or between ministers' offices and I do not consider it is any part of my responsibility to give details of the advice I have tendered to my colleagues. Indeed, as the hon. member well knows, it would be improper for me to do so.

Mr. Regier: Now I think the minister has been very plain and I should like to express my appreciation of his honesty in this regard. The minister is now saying, in effect, that he does not make any recommendations to any crown corporation as to what attorneys they may or may not engage. All he does is make recommendations to other members of the government, and I hope not too many of the backbenchers will regard themselves as members of the government as is the case so often over the airwaves of the nation. There are only a certain number of members of the government. The minister says he makes recommendations to his colleagues in the government. May I ask him how many departments of government he supplies with such recommendations concerning who should or should not be regarded as an agreeable attorney to act on behalf of the government?

Mr. Fulton: I think from time to time practically every department has occasion to request from the Department of Justice recommendations as to lawyers.

Mr. Regier: Has the minister at any time recommended to the Minister of Public Works that certain attorneys who were previously on the list of Central Mortgage and Housing Corporation be removed from the list?

Mr. Fulton: Mr. Chairman, as I explained to my hon. friend I am not free, of course, to disclose the advice I give to my colleagues and as I have also previously explained every list that was in force previously was removed and I did not find any list when I came in as Minister of Justice.

Mr. Regier: In other words, then, I can safely assume that the minister abolished all appointments of the former government and made a list of his own making sure they would all be Conservatives?

Mr. Fulton: Not at all, Mr. Chairman. I have already explained to my hon. friend that the former government removed its lists when it left office.

Mr. Pickersgill: How do you know that?

Mr. Fulton: That question does not require an answer.

Mr. Pickersgill: That is insinuation and innuendo.

Mr. Grafftey: And what we hear from you is self righteous indignation.

Mr. Howard: I wonder if I might deal with an entirely different subject matter from the one we have been discussing?

An hon. Member: That is good.

Mr. Howard: I wish to deal with the question of narcotic addiction, the problem of drug addicts and the effect they have on society and our penal institutions. The number of narcotic addicts in Canada is open to estimate but I am sure there are many hundreds the great preponderance of whom reside in or around the lower mainland portion of British Columbia.

Arising out of the need of a narcotic addict to secure money with which to purchase illegal drugs on the black market stems the problem of crime which expresses itself in the forms of breaking and entering, petty theft

and shoplifting among others. It is not that drug addicts become mentally unstable and develop criminal tendencies but they require money to purchase drugs.

Related to the problem of drug addiction is the impact on our society. Young people become addicted to drugs and are milked and bled for every cent they have by those who get them addicted. Drug pushers also lead girls into drug addiction and persuade them to engage in prostitution to earn money to purchase drugs and the drug pushers profit from this. Young people are led into drug addiction in order that they will turn to theft and crime in order to obtain money to buy drugs. In addition to this there is the misery of the addict who may have to spend many years behind bars and the misery that comes to his family and children. All of this adds up to a pretty sad picture in our society.

Perhaps we should examine the approach that has been adopted in the past toward this entire problem by law enforcement officers, the R.C.M.P. and the Canadian government. The previous government attempted to establish laws relating to the possession and use of narcotics. For many years we in Canada have adopted an attitude similar to that adopted in the United States with respect to this question and have tended to impose jail sentences and fines upon narcotic addicts. Sentences have ranged from a few months in a provincial jail to several years in federal institutions.

The Deputy Chairman: Order. Would hon. members behind the curtains lower their voices because it is difficult to hear the hon. member who has the floor.

Mr. Ricard: And he is so much less interesting.

Mr. Howard: I was saying that the tendency has been to impose jail sentences on narcotic users. This has been our attitude in Canada for a number of years. Apparently it has failed to have a deterrent effect on people continuing to maintain themselves as drug addicts, many of whom continue after release from jail, some of whom on the very day of their release seek out a source of morphine or heroin in order to get back on the habit again. Proof of the failure of our past approach is found in the steadily increasing number of drug addicts, many of whom are drawn from among teenage groups of high school age. The time is ripe for a new approach to the problem of drug addiction.

One of the first things that could be done would be to eliminate the free enterpriser in his worst state; that is, to eliminate the profit question from drugs. If possession of drugs was not illegal black market drugs that sell at exorbitant prices could be abolished. There would be no need for addicts to commit crimes in order to get money to buy drugs. The tendency for drug pushers to get younger people hooked or addicted to drugs in order to lead them into a life of crime or prostitution so they could reap profits from this would not exist. We might be able to tackle the problem in a better way than we have in the past.

Shortly after coming into office the Minister of Justice made some public comments outlining his ideas concerning drug addiction and the need for approaching the problem from a fresh and humane viewpoint different from the approach that was used in the past. We commend the minister on expressing those views, those ideas and those hopes about having a different official and statutory policy in so far as drug addicts are concerned. I would certainly—I am sure many others would also—appreciate very much if at this stage the minister was able to give the committee an up to date account of the development of his ideas and his thoughts in so far as the establishment of drug clinics, hospitals or similar institutions for drug addicts are concerned, and also express, if he is able to do so, his thought as to when we might see the formal establishment of such institutions or the formal arrangement, whether it be in a statutory form or a regulatory one, which will be entered into in order to put this new approach or this different attitude into effect.

Mr. Fulton: Mr. Chairman, this is one of those fields in which I have to admit frankly I am not able to report as much progress as I should like to be able to and as I am sure the committee would like to hear. I recognize that every time my estimates have been up since I assumed responsibility for this department I have described in general terms some of the ideas which I hoped we would be able to put into practice in connection with the treatment of drug addicts in so far as those addicts have fallen foul of the criminal law.

I must say that while I realized this was a big problem, I find it is an even bigger one than perhaps I had taken account of at the time that I made this first statement. In saying this I do not mean to say for a moment that we are discouraged or are adopting the attitude that there is nothing we can do about it because I believe there is something we can do about it. I am simply trying to confess that I find the problems to be overcome, indeed the differences of opinion to be reconciled and the thinking and research to be done, are of a very considerable nature.

I can, however, state by way of perhaps some definite encouragement that the question of the treatment of narcotic addicts who have

been sentenced under the criminal law is a subject which was assigned specifically to the correctional planning committee. It is one to which they have been giving some thought and which they have been discussing with the penal authorities and those responsible for reform measures in other countries which they have visited. They have, as a matter of fact, recommended to me that we in a way stop thinking about this, that we definitely take no steps until they have concluded their studies and have had time to sit down and bring in a specific recommendation as to how what you might call the philosophy in regard to treatment of drug addicts should be framed and then as to how the physical aspects of the program for their treatment and rehabilitation should be fitted in with the other parts of the new penal program on which it is their responsibility to make recommendations.

While I am anxious to make progress as rapidly as possible, I must say that I have been impressed with the reasoning, with the sense of the suggestions made by the correctional planning committee. Therefore, I do not expect that I shall be able to report any further specific progress until such time as I have had the report of that committee and had time to consider it in conjunction with the R.C.M. Police and the Department of National Health and Welfare, all of whom have views and responsibilities in this field of narcotics.

Mr. Howard: I certainly appreciate the comments of the minister. I know from listening to what he said before on this particular subject matter that this is as correct and as proper an approach as can be taken at the present time, rather than to go into something as a half way measure and then have to back up after going in an incorrect or a wrong direction. It is gratifying to know that the minister still says, and I am sure he will continue to say this because of his knowledge, that in positive treatment there is a solution and not to give up even though the problem looks almost insurmountable. It looks extremely difficult now and we should not say that we cannot cope with it, that there is no solution. To say that would be to admit defeat beforehand. I wonder whether in this regard the minister might give some indication as to when he expects the correctional planning committee will complete its studies and finalize its report, maybe not its complete report but just in so far as the question of narcotic treatment is concerned?

Mr. Fulton: The target has been set for the complete and final report of the committee at the end of this year. I expect to receive interim reports from them at the end of this month, they having completed their travels and studies abroad. Then they will be working on their reports. I expect to receive interim reports and the over-all final report just about at the end of this year, and I have no suggestion that the target date will have to be set back.

Mr. Howard: There is another problem with respect to narcotics that I should like to deal with and these are specific matters. The minister will recall that some time ago, during the early part of March or the latter part of April—I am not sure of the exact date—I posed a question to him with respect to a newspaper article arising out of a court case in Vancouver to the effect that a Mr. Jack Webster of radio station CKNW had been able to purchase a hypodermic needle kit, specially prepared and set up for use by addicts. This was not a fully complete hypodermic syringe, but just the bare necessities for a drug addict, a do-it-yourself kit, as it has been commonly referred to. In answer to my question the minister mentioned that he would undertake to have the question studied to see what could be done to prevent druggists or drug stores from selling this type of paraphernalia obviously prepared for sale to drug addicts and drug addicts only and not bought in any sense by people who may have to take hypodermic injections of insulin or cortisone or some other drugs for physical ailments.

Also, in so far as drugs are concerned, I hold in my hand a clipping from the *Globe and Mail* of April 16 which contains the heading, "Bogus Bill Ring Deals in Drugs". It refers to the seizure by the R.C.M. Police of about 1,200 counterfeit $10 bills from towns across Quebec. The thought expressed in the article was that these bills were being counterfeited and passed and that there was a connection between this counterfeiting ring and the sale and distribution of drugs. Can the minister indicate whether there has been any further investigation or has he anything further to report on this particular item?

My third point has to do with an incident which took place in the latter part of April, at which time a guard was apprehended in Kingston penitentiary on the charge of being in possession of narcotics, purportedly or presumably for sale to inmates who were narcotic addicts and who were in the penitentiary at Kingston. Is the minister able to recount at this stage what has happened in this particular case, both in so far as the guard is concerned, as to whether any of the inmates were discovered to have used narcotics around that period of time and whether any disciplinary action was taken against the inmates.

Mr. Fulton: Mr. Chairman, I am afraid I have to give the answer with respect to these three questions that I will be in a better position to answer them on a later item in the estimates. With regard to the first one, the sale of what I believe are called do-it-yourself kits by certain drug stores in Vancouver, I referred that matter to the Royal Canadian Mounted Police. I have had a report from them but I have not got it before me because that will be coming forward when the R.C.M.P. item is under consideration. I recall there was a report to the effect that the matter had been dealt with in some positive way but I am afraid I would only be guessing if I tried to recall what it was and I would rather not answer until we reach the police item.

The same answer applies to the question as to the connection between counterfeiters and drug pushers. That is a matter on which I would have to get information from the police.

With respect to the guard in the penitentiary who, as I recall it, was charged with trafficking, I am advised that he was prosecuted and has just been acquitted of the criminal charge on the ground that there was no criminal intent proven. It was not proven that he knew what he was receiving and what it was that he was supposed to be passing on. The matter of disciplinary action against him within the penitentiary itself has not been yet determined because the report of his acquittal has only just come in. I will be able to discuss the matter more fully when the penitentiaries item is before us.

Mr. Howard: I assume that inmates in the penitentiary may have received some of the narcotics that were being transmitted and I wondered whether any of the inmates had been discovered to be in possession of or to have used narcotics around that time and what disciplinary action, if any, has been taken so far as these inmates are concerned?

Mr. Fulton: That is a matter on which I asked for a report from the commissioner of penitentiaries. I am expecting that he will bring it with him when that item is reached in the estimates.

Mr. Pickersgill: Mr. Chairman, first I want to remind the minister of that classic statement made by the Minister of Finance in June of 1957 when he told the country how much he was going to save the taxpayers of Canada by eliminating waste and extravagance in all departments of government. In view of the fact that the minister's estimates this year for his department, to say nothing of the R.C.M.P., are increased by almost $3 million I think it would be interesting if the minister would tell us precisely what waste and extravagance has been eliminated by the Minister of Finance in the Department of Justice.

Mr. Fulton: Mr. Chairman, I can say by way of a general reply that we have made every attempt in the department to keep our expenditures down to a minimum and particularly to avoid any increases but we have been faced with the necessity of dealing, as I have said, with a considerably increased volume of work. I have just sent out now, for instance, for the figure as to the increase in the number of pieces of mail received in the department since I took office compared with the years when my predecessor had the responsibility because I know that the comparison shows quite a startling and definite increase in the volume of correspondence and, of course, if you get more correspondence you have to have people to deal with it. Some of the increases, and I shall be glad to deal with the specific increases when we reach the items—

Mr. Pickersgill: Perhaps I could save the minister time. He did not answer my question. In my question I did not ask the minister to justify the increases. I asked the minister to tell us specifically what items of waste and extravagance had been eliminated.

Mr. Fulton: Perhaps if the hon. member would tell me what items of waste and extravagance there were under the former administration I would be able to answer his question. I can assure him every such item has been eliminated.

Mr. Pickersgill: And it did not take 20 minutes to do it in the minister's department either because there was none there. Anybody who knows the minister's predecessor and his record of thrift and care with respect to public moneys will know perfectly well that there was no waste and extravagance. I suspected that answer would be given.

Mr. Fulton: I do not know what the hon. member is working himself into such a heat about.

Mr. Pickersgill: I am not at all heated. I just want the minister to hear. I want there to be no doubt that he does hear me. One of the many grounds as a result of which these gentlemen are now occupying the treasury benches is that they told the people of Canada they were going to eliminate half a billion dollars of waste and extravagance from the expenditures of the government of Canada. We know that they have increased these expenditures by a great deal more

than half a billion dollars, and up to the present time, whenever I have been present since 1957 when the estimates of any department have been under consideration, I have asked this one question.

Mr. Bell (Saint John-Albert): One question?

Mr. Pickersgill: We have yet to have from any minister one single example of any waste and extravagance in any department, such as hon. gentlemen opposite were so fond of talking about, in the two years they have been in office. I simply wanted to underline that point again.

Mr. Fulton: You see, Mr. Chairman, we in the Department of Justice have not been a big building department so we did not build the printing bureau but if it had been under my administration I would have been able to indicate to the hon. gentleman the type of example of waste and extravagance that has been eliminated.

Mr. Pickersgill: The hon. gentleman does a good deal of building in his department. If I am not mistaken, he does do a good deal of building throughout the country. Would the hon. gentleman tell me of any extravagance in the building done by his department?

Mr. Fulton: My department does not do a great deal of building. I do not know what the hon. gentleman has in mind. There are some penitentiaries under construction and we will be able to discuss them under the penitentiaries item if my hon. friend wishes.

Mr. Pickersgill: I notice that the minister is evading the question.

Mr. Fulton: The matter can be discussed at the proper time.

Mr. Roberge: In the details on page 216 there is an item for publication of departmental reports and other materials and there is an increase of $20,000 over last year. What is this for?

Mr. Fulton: I am sorry, I did not hear.

Mr. Roberge: On page 216 there is an item for publication of departmental reports and other material and there is an increase of $20,000 over last year. What are these reports and other materials?

Mr. Fulton: This arises in the main from the desire to fulfil a recommendation of the Fauteux committee report that there be a program designed to inform the public with respect to certain features of the then existing penitentiary and reform system and with respect to certain of the programs which the committee recommended should be instituted. I would refer my hon. friend to page 13 of the Fauteux committee report where is contained their recommendation with regard to public information in connection with probation, and page 51 of the report which contains their recommendation with regard to a public information program with respect to parole. It is in implementation of these recommendations that there has been included an item of $20,000 for the purpose of a public information program.

Mr. Roberge: I have a further question. Is that campaign under way?

Mr. Fulton: The preliminary steps have been prepared, but the program has not been worked out in detail.

Mr. Howard: I should like to make one other comment under this particular item concerning a matter which has intrigued me for some time. I refer to the fact that there are two cabinet ministers in the same department both, I assume, on a par with each other in so far as seniority is concerned. If the minister is concerned with saving money, then action could be taken on this matter. My remarks have no connection whatever with the person who presently holds the post of Solicitor General.

In looking back over the years, in talking with one other gentleman who held that particular post and in talking with members of this house who have been here many more years than I have, I cannot help but come to the conclusion but that this is a completely superfluous cabinet position. In so far as the duties of that particular office holder are concerned, and so far as matters under his jurisdiction are concerned, they are practically nil. This means that the cabinet post of Solicitor General is an unnecessary one and a costly one, at least to the tune of $17,000 per year plus the payments to whatever executive assistants there may be in the Solicitor General's office. I would have no hesitation whatever in suggesting—as I say this has nothing whatever to do with the individual who now holds the office—that here would be a prime way to start cutting expenditures and saving some money by eliminating the post of Solicitor General.

The Minister of Justice could perform the functions of the Solicitor General. I am quite sure that the Minister of Justice does now participate in many of the recommendations made by the Solicitor General. I, for one, think this is a cabinet position that is on a par, in so far as value is concerned, with the cabinet ministers without portfolio, except that the payment is a little bit higher.

Mr. Maloney: Mr. Chairman, I should like to avail myself of this opportunity to make a few remarks in respect of some problems

that I think might be of interest to the committee and to the minister. I have listened to the remarks of the hon. member for Burnaby-Coquitlam and the hon. member for Bonavista-Twillingate, and I think hon. members of all political parties in this house would like one of the members of the house to pay to the present Minister of Justice the tribute that he really, in the opinion of all members, deserves.

Mr. Peters: Let us remember Newfoundland; let us not be carried away.

Mr. Maloney: You stay back in Kirkland Lake. I know of no minister of justice who has made such an impact on his department in the history of this country. Never, under any of his predecessors, have reforms of such magnitude been undertaken, and he has brought to the department and to the whole correctional system in Canada a forward looking, up to date outlook which will in the near future have its effect in a reduction in the incidence of crime and in a general improvement of the whole correctional system.

I spoke in this house last August at a time when the minister's estimates were before the house, and on that occasion I had the temerity to advance for his consideration some four amendments, three to the Criminal Code and one to the Canada Evidence Act. As someone who feels the minister is deserving of the credit I have already given him, and as someone who realizes he cannot have everything he wants in this world, and certainly in this house, I was more than pleased to see that I got 25 per cent of what I requested on that occasion. The minister, in the amendments to the Criminal Code that are soon to be brought forward, has imported one which would direct that time served in custody pending the hearing of an appeal to a provincial appellate court should count on the sentence; that is a much needed reform. I commend the minister and the officials of his department for having taken this forward step to bring it about.

I wanted to say a word at this stage with regard to the matter of probation. It is my desire to express a point of view in this committee that the government should consider the possibility, the advisability and the practicability of intervening at the federal level in the probation field.

May I call it ten o'clock, Mr. Chairman?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder if the leader of the house would advise us if there is any change in the program for tomorrow? Could he also give us an indication of the business for next week?

Mr. Green: Tomorrow, we shall commence with third reading of the act to amend the Unemployment Insurance Act; then take the estimates of the Department of Justice, followed by those of the Department of Veterans Affairs. Monday we shall commence with item No. 1 on today's order paper, an act to amend the Veterans Land Act, which has been to a committee; item No. 14, an act respecting the superannuation of members of the Canadian forces; then, No. 13, second reading of a bill in respect of Canadian national financing; then, item No. 15, second reading of the act to amend the Farm Improvement Loans Act; item No. 12, second reading of the bill respecting certain public service pensions; item No. 9, an act respecting the superannuation of members of the R.C.M.P.; item No. 3, an act respecting the Royal Canadian Mounted Police; item No. 10, an act to amend the Criminal Code, and item No. 11, an act to amend the Combines Investigation Act.

Then, we intend to follow with the items standing in the name of the Minister of Agriculture, starting with the Seeds Act which I think has come over from the Senate. Then, we shall take the crop insurance measure and the farm credit measure.

Mr. Pickersgill: Is it intended to proceed in that order throughout the week as long as legislation is carried on?

Mr. Green: That would be for Monday and Tuesday.

Mr. Pickersgill: Can the minister give any indication when the government intends to introduce legislation respecting the terms of union?

Mr. Green: The Minister of Finance says the answer is soon.

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

Question

ANSWER TO QUESTION

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

FOREST ACCESS ROADS AND TRAILS PROGRAM

Question No. 402—**Mr. Richard (St. Maurice-Lafleche):**

1. In what fiscal year was the assistance in establishing forest access roads and trails program initiated?
2. What provinces have entered into an agreement with the federal government in each fiscal year since the inception of the program up to March 31, 1959, and what is the amount paid to each of them in each year?
3. What provinces have not entered into such an agreement?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. 1957-58.

2. The provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland entered into agreements in 1957-58 for assistance in the construction of forest access roads and trails during the period January 2, 1958 to June 30, 1958. With the exception of Prince Edward Island, agreements were entered into with the same provinces in 1958-59 for assistance during the period November 1, 1958 to June 30, 1959. The amounts paid to each province in each fiscal year are shown in the following table:

Province	Fiscal Year		Total payments by provinces
	1957-58	1958-59	
	$	$	$
Newfoundland	2,872.11	56,201.95	59,074.06
Prince Edward Island	Nil	—	Nil
Nova Scotia	14,140.70	31,754.69	45,895.39
New Brunswick	29,832.88	21,761.59	51,594.47
Ontario	249,247.12	988,713.87	1,237,960.99
Manitoba	118,213.76	235,555.69	353,769.45
Saskatchewan	95,056.04	179,438.47	274,494.51
Alberta	23,642.19	133,295.86	156,938.05
British Columbia	77,362.95	441,242.86	518,605.81
Total payments by fiscal years	610,367.75	2,087,964.98	2,698,332.73

3. The province of Quebec.

HOUSE OF COMMONS

Friday, June 19, 1959

The house met at 11 a.m.

PRIVILEGE

MR. MARTIN (ESSEX EAST)—REFERENCE TO REMARKS IN DEBATE ON JUNE 17

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I notice that during my absence while welcoming the Queen yesterday the hon. member for Essex East rose on a question of privilege and made certain allegations and statements. Your Honour was kind enough to suggest that in my absence, and because I was involved in the point of privilege, I should have an opportunity to comment on it, and recommended that the matter be left there.

Before I make any comment at all on the statements made yesterday by the hon. member for Essex East, may I read the pertinent portions of the remarks referred to by him which appear at page 4827 of *Hansard* of June 17, where I am reported as having said:

> Here we have but a piece of paper containing a motion—

I was referring to the motion in question that was before the house. I continue:

> —ingeniously contrived in order to sow suspicion. The hon. gentleman moving the motion will not take his stand behind the truth of the allegations and the alleged wrongdoing of the hon. member for Peel.

I emphasize those words "the alleged wrongdoing of the hon. member for Peel". I continue:

> I say this. I hope I shall never allow any hon. member to be struck in his honour and integrity by a motion such as this, a motion of suspicion fortified only by questions, with the mover holding the high and responsible position of Leader of the Opposition refusing to accept his personal responsibility to make a charge on the basis of his opinion and belief with respect to the alleged findings of wrongdoing by a judge.

What I said was, "The findings of the judge were alleged to be allegations of wrongdoing", and that was made very clear earlier in my remarks, which cannot be taken out of context.

From time to time this matter comes up, and I am not going to deal with the cases which have been before the house on previous occasions, which arise from the fact that changes are made in order to make good sense without changing the purport. The hon. gentleman says that what was said was:

> —with respect to the alleged findings of a judge in that direction.

Well, grammatically that does not make sense. "In that direction" refers, of course, to the alleged wrongdoing of the hon. member for Peel. May I say this. There has not been and was not any material change either in sense or in meaning. I want to make that most clear. The words "in that direction" are grammatically unclear. What I recall saying, but I am not going to argue it, is "in that connection". I stated then, and I now state, that the opposition endeavoured to distort the findings of the judge in order to allege wrongdoing on the part of the hon. gentleman.

Some hon. Members: Order.

Mr. Pearson: Stick to the point.

Mr. Speaker: I suggest to the Prime Minister that in dealing with the alteration of *Hansard* it would not be proper to refer to the debate.

Mr. Diefenbaker: All right, Mr. Speaker, but I have to make very clear the fact that there was no change in sense or in meaning, and I make that very clear now. I have no objection whatever, none whatever, although grammatically it is bad, to the restoration of any words suggested by the hon. member for Essex East. This question has been up on many occasions before. I remember prime minister St. Laurent on one occasion, in the course of a question asked relative to the Canadian forces not remaining in Berlin, saying in the house, "They were kicked out".

Mr. Pickersgill: Another diversion.

Mr. Diefenbaker: And the next day *Hansard* showed it as "They were left out". That was a change that is not in keeping with the traditions of the house.

Mr. Pickersgill: The usual chivalry.

Mr. Diefenbaker: I have seen my hon. friends opposite day after day reading their blues and making alterations. I think it is well that this is brought up because I think the house might pretty well decide—I know I am going to make a very careful examination from now on of all the changes day by day as I see the rereading taking place in this house—that changes are not to be made. I think this is just another example of what I believe should become the rule of the house and adhered to by all, that there should be no changes whatever, grammatical or otherwise, in order to bring out the sense.

I simply state that there is no change whatsoever in meaning or in reference to

the alleged findings of the judge, that is, alleged by the Leader of the Opposition (Mr. Pearson) as being evidence of wrongdoing on the part of the member for Peel (Mr. Pallett). Those alleged findings were non-existent, and I leave it there for Your Honour to determine.

Hon. Paul Martin (Essex East): Mr. Speaker, in introducing his remarks the Prime Minister referred to the fact that I had raised this question of privilege when the Prime Minister was absent from the house, having gone to Newfoundland to welcome Her Majesty the Queen. I suspect that in making these introductory observations he wished to leave the implication that I had taken unfair advantage of him.

Mr. Diefenbaker: No.

Mr. Pearson: Why did you mention it?

Mr. Martin (Essex East): The Prime Minister, of course, now knows perfectly well that a question of privilege must be raised at the earliest opportunity. I would have been remiss in my duty if I had not raised the question at once. Your Honour will recall that before the proceedings began I mentioned that I intended to raise this question as a matter of privilege; and when Your Honour quite properly, and I think fairly, suggested that, having raised the question, it should be allowed to rest until the Prime Minister's return I acceded at once.

The Prime Minister now wishes to correct the impression which I say he left with me that he was suggesting that in making these representations I had taken unfair advantage of his absence and I now accept his correction, if I understand him correctly that he does not wish to leave that impression.

The Prime Minister has said that there was no material change in sense or meaning. That may be the case if the argument is addressed to what the Prime Minister said, but what the Prime Minister fails to observe is the nature of the question of privilege. My question of privilege was that, having said as I did say and as is correctly reported at page 4829 of *Hansard,* namely:

> The Prime Minister referred to this same judgment as an alleged finding. No prime minister—

The Prime Minister intervened at that point and is reported as having said, "An alleged finding?" Then I went on to say:

> The Prime Minister's words are there to be scrutinized and observed by everyone. The Prime Minister said that. While this might be understandable in the mouth of a lay prime minister, it certainly is not proper for the Prime Minister, a distinguished advocate in the criminal courts of our country, to refer to a finding of a judge as an alleged finding. Whether we agree with the decisions of our courts or not, once those decisions are made then unless appealed they must not be referred to in the language used by the Prime Minister as "alleged findings".

So if the words which the Prime Minister said offer no material change in sense or meaning were allowed to constitute the record of the house they would certainly alter the meaning of what I said in the words I have just quoted as being reported correctly at page 4829 of *Hansard.*

Now, I suggested that my version of what the Prime Minister said was correct, and that the version of what the Prime Minister is reported on page 4827 as having said is incorrect and represents an alteration contrary to the practice and the usages of the house. In support of my contention that the reported words of the Prime Minister were not in conformity with what he actually said I produced yesterday the stenographic report of the *Hansard* reporter, which clearly indicates that the Prime Minister did not use words other than these in concluding his remarks, and I shall read the whole sentence:

> I hope I shall never allow any member to be struck in his honour and integrity on the basis of a motion such as this, suspicion fortified by questions, with a member of the house holding the high and responsible position—

Mr. Speaker: Order. I am reminded by the Clerk that the document from which the hon. member is reading is not official *Hansard* and that it has not been the practice of the house to cite such a document. If the hon. member will note the tag which appears on the first copy made by the reporters, it is stated on it that this is not to be the official copy. I myself have no recollection of the practice of the house in this matter, but that is what the Clerk advises me.

Mr. Martin (Essex East): On the question of practice, I would suggest that that is not the case. The Minister of Justice only the other day used this very same—

Hon. E. D. Fulton (Minister of Justice): On a question of privilege, Mr. Speaker; certainly I had the document in front of me, but I was careful to make it clear I was not quoting from the document. I was not relying on it. In fact I did not quote from that document. I had it in front of me to make certain what I was saying reflected accurately what the Leader of the Opposition had said. The hon. member for Essex East is totally unjustified in trying to justify what he is doing on the basis of what I did.

Mr. Martin (Essex East): The Minister of Justice, Mr. Speaker, may be certain that I do not very willingly resort to precedents he has established to justify my conduct and my actions, but in this case I think I must.

In any event, Mr. Speaker, you say this is the practice, but that is a matter of opinion. There is no rule on the matter, whether or not there is a practice. Under our rules there is nothing to preclude what I have done or what the Minister of Justice did.

Mr. Fulton: Why do you keep on asserting what is not correct?

Mr. Martin (Essex East): What was that observation?

Mr. Fulton: Why does my hon. friend keep on asserting what is not correct?

Mr. Martin (Essex East): The Minister of Justice is now encouraging the usual avalanche of obstruction from this government that regards its majority as a way of delaying—

Mr. Speaker: Order. I suggest we try to follow a straight line. We seem to be embarking on a number of cross currents and explanations. If the hon. member would complete his reference to the question of privilege which he raises, then I think the matter would be concluded.

Mr. Martin (Essex East): I quite agree, Mr. Speaker.

I hope I shall never allow any member to be struck in his honour and integrity on the basis of a motion such as this, suspicion fortified by questions with a member of the house holding the high and responsible position of Leader of the Opposition refusing to accept his personal responsibility to make a charge—

Some hon. Members: Order.

Mr. Martin (Essex East):

—on the basis of his opinion and belief with respect to the alleged findings of a judge—

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, a point of order—

Mr. Speaker: A point of order has been raised by the minister.

Mr. Pickersgill: Can a point of order be raised on a question of privilege?

Mr. Green: Your Honour stated a few minutes ago that it was not the practice to read from these preliminary takes, as they are called, of statements made in the house, yet the hon. member for Essex East, ignoring that statement and ignoring the practice, is going right ahead and reading it as though nothing had been said. Now, as a matter of common sense, it would be very unfair if we permitted these preliminary takes to be read. They have not been checked by the editor of *Hansard*. They simply come from the reporter and are placed on the desk of the editor of *Hansard* to be corrected.

I know from personal experience that quite frequently there will be an obvious mistake. The reporter may be called in by the editor to check up and be sure that the transcript is right. These first takes frequently have errors in them, and it would be absolutely ridiculous to establish a practice in this house under which members could get up and quote these first drafts as the gospel truth, and go on to base arguments on them. If we are going to allow a practice of that kind, then there is no telling where we will end up. I suggest to Your Honour that Your Honour should find that these takes should not be quoted in the house.

Mr. Speaker: I should like to hear the hon. member for Essex East on the same point of order.

Mr. Martin (Essex East): Your Honour will recognize that it is a well established rule that when a question of privilege is being raised it is wholly improper to raise a point of order as the hon. gentleman has just done.

Some hon. Members: No, no.

Mr. Martin (Essex East): Hon. members say "No, no". I ask them to look at the famous case of Mr. Gladstone and see whether that is not the situation.

Mr. Speaker: As the matter has now been raised as a point of order I feel that I cannot leave it at the observation which I made previously. No precedent has been cited to me on this point, as to the propriety of reading this unofficial first transcript of the reporter's notes. If the hon. member can cite any authority I should be glad to have it. It was on the advice of the Clerk of the house, who is experienced in these matters, that I called the hon. member's attention to the situation and said that it had not been the practice to do this. I did not stop him because I am not sure there is an established rule which prevents him from reading this document for the purpose of establishing that there was a change. The Secretary of State for External Affairs has raised the question, and I am at a loss to decide whether or not there is an established practice of the house which prevents the hon. member from proceeding.

However, I think it is not in issue that there was a change. As I understood the Prime Minister, from his explanation or his answer to the question of privilege raised by the hon. member, he felt that the changes he had made were in accordance with the practice of the house. The hon. member does not have to pursue the point in order to establish that changes were made.

Question of Privilege

Mr. Martin (Essex East): Mr. Speaker, you asked what are the arguments in favour of this particular course. In reply one could ask what are the arguments against it, or what authorities are there. There are none. I referred to the precedent of the similar act of the Minister of Justice the other day, which I regard not as a powerful precedent coming from that particular quarter—

Mr. Fulton: Will my hon. friend—

Mr. Speaker: I understood the Minister of Justice to say—and it is a matter within his own knowledge and the hon. member must accept his statement—that he had not been quoting.

Mr. Fulton: I think I should read what appears in *Hansard* to establish the accuracy of what I said. It appears at page 4831:

> Here is what the Leader of the Opposition said about that statement as I took down his words this morning and made notes of them and if he believes I am misrepresenting them I shall be glad to be corrected. As I understood him this morning, he said that the Prime Minister's contention that a charge would be required, and the statement by myself that a charge must be embodied in the motion, and the Prime Minister's statement that there had to be an allegation of improper conduct whereby the member concerned had furthered his private interests, had no foundation whatsoever.

I was not quoting from a document, nor are there any quotation marks appearing in *Hansard*. I had before me a certain document which I paraphrased, and I made it clear that I was not quoting any document or representing it as being an official report of what was said. That procedure is entirely different from what the hon. member for Essex East did. When the hon. member for Essex East seeks to represent that I quoted from a document he is stating what he himself knows to be false.

Mr. Martin (Essex East): Mr. Speaker, I am going to ask you to ask the Minister of Justice to withdraw those last remarks to the effect that I made a statement knowing it to be false. I will put my reputation against that of the Minister of Justice any time.

Some hon. Members: Oh, oh.

Mr. Speaker: If the minister stated that the hon. member for Essex East made a statement knowing it to be false, I would certainly ask him to withdraw that charge.

Mr. Fulton: If you rule that the word "false" in that context is unparliamentary—

Mr. Speaker: May I make it clear that in my view to charge that an hon. member knowingly said something which was false is not in accordance with our practice.

[Mr. Speaker.]

Mr. Fulton: In that case, perhaps, in view of your ruling, I might say that the hon. member is stating what the record shows to be incorrect.

Mr. Martin (Essex East): It is clear from what the minister said that he was using the *Hansard* preliminary sheets, as I am doing now, to establish the usage of certain words.

An hon. Member: No.

Mr. Martin (Essex East): Well, hon. gentlemen say the opposite, and I propose to continue—

Mr. Speaker: Before the hon. member proceeds, I feel that as the point has been raised I must ask the hon. member either to give me a chance to determine whether there is foundation for this point of order or to desist, and I give him the choice of deferring this matter until I have looked into the question or refraining from reading further from that particular document.

Mr. Martin (Essex East): I think the position Your Honour is taking is quite proper as to the course which is to be followed, and all I can say is that the *Hansard* sheets to which I made reference confirm my own understanding of what the Prime Minister said and, as a matter of fact, the implications of the Prime Minister himself clearly establish that the words which he originally used were those contained in the *Hansard* record which I used in support of the contention I made yesterday.

In this context I might remind the Prime Minister of what I did say yesterday. At page 4861 of *Hansard* for yesterday, a little more than half way down the first column, I said this:

> My question of privilege is that this change in the unrevised edition of *Hansard* alters the meaning of what I said. What the Prime Minister said was "a charge on the basis of his opinion and belief in respect to the alleged findings of a judge in that direction." These were the words I took down as being the words uttered in this house yesterday by the Prime Minister. I find that this is confirmed by some of my colleagues who likewise took down the Prime Minister's words. But lest there be any doubt in the matter, I have yesterday's *Hansard* blues which confirm what I myself took down and which read as follows:
>
> "A charge on the basis of his opinion and belief with respect to the alleged findings of a judge in that direction."

Now, Mr. Speaker, the Prime Minister sought to use this particular situation to indicate what he thought should be our practice in the future. Perhaps I should remind the Prime Minister of what he said in this house on April 17 of this year when the hon. member for Trinity had called his attention

to an alteration of words in *Hansard*. The Prime Minister replied on that occasion:

I know the hon. gentleman is a model of accuracy, and for that reason I would like the opportunity to say this. The blue copy which was sent down by *Hansard* is exactly as it appears today in yesterday's *Hansard*. I do not make it a habit to change *Hansard* in order to alter what appears there, except in so far as changes are made by my staff in the ordinary run of things. Yesterday when the blue was brought to my attention it did not contain the word "inexcusably". However, I recall having said that, but I would not alter *Hansard* in order to change the meaning or purport of the context prepared by *Hansard*.

And then on June 8, in the official report of *Hansard*, the Prime Minister is reported as having said:

Mr. Speaker, I think this is the first time I have corrected *Hansard*, but I think this should be corrected. It is at page 4363, following a discussion in which there was not that unanimity between members of the opposition that there is sometimes, and I said I would suggest that the two sides get together. *Hansard* reports it as "fit" together.

So on several occasions this session the Prime Minister has had the kind of running interference with which this particular situation again confronts him.

I think the Prime Minister, having suggested for our consideration what we should do in the future, would want me to repeat, and remind him in the house, of the words used by the then leader of the opposition, his former leader, Mr. Drew, who at page 1103 of *Hansard* for February 13, 1956 said:

I submit that there are well established rules in regard to the printing, in regard to the amendments, in regard to the nature of the corrections which go much farther than those that have been suggested. There are long established rules governing how corrections are to be made. Certain changes can be made by the member speaking.

Then the leader of the opposition of that day at page 1104 quoted a statement made by Mr. Speaker Black in an earlier session:

Instructions for any alterations in the official report of the debates should not be given without communicating them to the house in session, and for this reason, whenever I have deemed it advisable, to direct that certain statements be expunged, I have done so from the chair, thus giving a ruling which, under standing order 12, is subject to an appeal to the house.

These words of Mr. Drew and this whole situation will, I am sure, cause the Prime Minister to recognize the validity and usefulness of the words he used on April 12 when he said, "I do not make it a habit to change *Hansard*."

Mr. Diefenbaker: I thank the hon. gentleman for the references he has made. I can assure him and those associated with him that the most careful examination will be made of all changes such as I indicated that come within the purview of the rights of members, to the end that hon. gentlemen opposite should maintain the same traditions which they say apply here and with which I entirely agree, namely that changes must not change the purport and the meaning—and the change in question did not.

TRADE

TEXTILES—ANNOUNCEMENT OF SUSPENSION OF CERTAIN EXPORTS FROM JAPAN

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I should like to inform the house that an announcement was made yesterday in Tokyo concerning the export to Canada of certain textile items. The government of Japan announced that, effective June 18, the issuance of new export licences would be suspended for a broad range of textile exports in the category of apparel. The announcement did not specify the term during which the suspension would remain in effect.

This action by the Japanese government is to be welcomed as an important additional step toward the development of a more orderly and effective system of export controls relating to trade in textiles between Japan and Canada.

As the house will realize, and as the Japanese government realizes, it is in the interests of both countries that trade should grow in an orderly fashion and that there should be no repetition of the conditions of 30 years ago, when a flood of cheap Japanese goods into Canadian markets did irreparable damage to Canadian producers and manufacturers with prolonged adverse results to our mutual trade relations.

The announcement by the Japanese government affects two broad categories of goods. One relates to spun rayon, cottons and mixtures of these and other synthetics, and includes such items as brassieres, underwear, dress and work shirts and skirts. The other relates to spun rayon, mixtures of spun rayon and rayon, and mixtures of which the main component is spun rayon. In this second group fall blouses and sport shirts of spun rayon; coats and slacks of spun rayon, including short pants, overalls including work clothes, car coats, raincoats and other dresses and coats, jackets and windbreakers, summer suit sets, play suits and beach sets, gowns and pyjamas; knitted underwear and outwear, including T-shirts, blouses, sport shirts, sweaters, slacks, gowns and pyjamas and other underwear and outwear.

Over the past year and particularly in recent months there has occurred an extraordinary increase in Japanese exports to Canada of a number of lines of textile products. The excessive inflow of such goods has

created an extremely difficult situation for Canadian textile manufacturers. The flood of Japanese goods into this field has gone far beyond what might be considered as orderly participation in the Canadian market for textiles, and particularly wearing apparel. It has unquestionably damaged the position of our Canadian manufacturers of certain lines of finished textiles. There has developed as well a serious threat of injury to other sectors of the industry. Already the producers of primary textiles are feeling the inevitable consequences, and these are bound to become more severe.

I have received strong representations from Canadian manufacturers of textiles and textile products, including apparel, in this regard. Having carefully reviewed the circumstances the government of Canada came to the conclusion that the loss of business suffered by Canadian producers and manufacturers as a result of the competition from Japanese goods entering our markets had reached serious proportions, and that if the situation were allowed to continue unchecked even greater damage to their interests was possible.

Accordingly discussions were undertaken with the representatives of the Japanese government in Ottawa and Tokyo, in the course of which the views of the Canadian government were communicated to them. Within recent days I have held discussions with the Japanese ambassador which gave me the opportunity to state the Canadian position. This meeting was followed up by meetings between senior officials of the Canadian government and representatives of the Japanese government.

We were informed only last night of the decision of the Japanese government respecting the suspension of the issuance of new export licences. It is to be noted that the announcement does not affect export licences which are already outstanding. Therefore at this stage we do not know precisely the volume of goods which will be shipped under outstanding export licences.

The announcement will require more careful study before a detailed assessment of its full implications can be made. Nevertheless it would appear that the suspension of the issuance of new export licences in respect of these products would affect something more than a quarter of our total apparel imports from Japan, and would cover many items where the degree of penetration by Japanese competition in our markets has been substantial. Apart from the restraints given effect by yesterday's announcement, Japan has had in operation for some time voluntary export quotas on a variety of items of apparel made of cotton and cotton mixtures. If account is taken of these measures as well as yesterday's announcement, it would appear that licences are either suspended or under control for three-quarters of the textile apparel items now entering Canada from Japan.

The announcement by the Japanese government is, therefore, welcomed. However, the measures announced in Tokyo yesterday are to be regarded as of a temporary nature until such time as a longer term and more comprehensive solution can be worked out covering textiles in general. We shall, therefore, continue our conversations with the Japanese government with a view to the orderly development of Japanese-Canadian trade which both governments desire.

With permission of the house, Mr. Speaker, I will table copies of the items for which the issuing of new export licences has been suspended by the Japanese government.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, it will be noticed from the minister's statement that the Japanese government has undertaken certain additional voluntary controls on their exports to Canada as the result, I take it, of a request on the part of the Canadian government. It will also be realized that this request was made of a government which already, I believe, has a highly unfavourable balance of trade with Canada. In other words we export more to Japan than Japan exports to Canada. It is to be hoped, therefore, that action of this kind will not interfere with Canadian exports to Japan which are already of such very great importance to us.

I make that observation with the more emphasis because of the export figures which were published today for the month of May and the first five months of this year, which show that during the month of May our exports were down 10 per cent and that during the five months they were down 3 per cent. These figures also show that the greatest decrease in our exports is to those countries outside the commonwealth and the United States, where the exports for the five months have dropped from $396 million to $316 million, and that list of countries includes Japan.

It is therefore very important that nothing should be done which would interfere with our export trade to a country which already has an unfavourable balance of trade with this country.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in connection with the announcement just made by the Minister of Finance I might say first of all that this will be somewhat of a continuing problem as a result of the development of these, shall I say, new economies.

We welcome the understanding and the sense of responsibility shown by the government of Japan in meeting the Canadian problem and our representations in this way. We welcome it as evidence of co-operation emanating from a spirit of good will. We are quite certain that in that spirit an equitable solution to these problems will be found in days to come.

Mr. Fleming (Eglinton): Mr. Speaker, the Leader of the Opposition indicated some concern about our exports. I believe I can assure the house that the action now taken by the Japanese government and announced yesterday will have no bearing whatever on Canada's exports to Japan. The position taken by the Japanese government is completely in accord with the views and policies of the Japanese government as declared at all levels, ministerial and official, in relation to the orderly development of trade with Canada.

BUSINESS OF THE HOUSE

DISPOSITION OF MOTION OF LEADER OF OPPOSITION ON TODAY'S ORDER PAPER

Mr. Speaker: I am afraid I must occupy a minute or two of the time of the house myself. It is my responsibility to rule upon a point of order which arose on Wednesday last and was then debated at length and with vigour. I wish to thank the several hon. members representative of all parties who gave the house the benefit of their views.

The question was whether or not the notice of motion relating to the conduct of the hon. member for Peel which had been given by the Leader of the Opposition properly raised a prima facie question of privilege for determination by the house through its standing committee on privileges and elections, to which the motion would refer the matter for examination and report.

The question is of considerable importance. If the notice of motion properly raises a question of the privileges of the house it is entitled under standing order 17 to be taken into consideration immediately, all other business being laid aside until the debate is concluded. On the other hand, if the motion is not to be regarded as one of privilege the motion would have to take its turn with other notices of motion by private members, which at this stage of the session would mean it would have very little prospect of being called even if in fact it is entitled at all to be placed on the order paper. The subject matter could be and in fact has been raised in the house and debated in other ways.

The factual basis for the motion as it appears in the notice itself and in the arguments put forth in the house is simple. It is that the president of the exchequer court, Mr. Justice Thorson, in his reasons for judgment, sessional paper No. 237, makes certain affirmations about the hon. member for Peel (Mr. Pallett). These affirmations are summarized in items 1 to 8 in the notice of motion. Perhaps the house will permit me to dispense with reading these as all members have them.

It is noteworthy:

(1) That the judgment is a public document but is not a document required to be submitted to the House of Commons.

(2) It became a sessional paper by leave of the house when the Prime Minister tabled it in response to a request from a member of the opposition.

(3) The reasons for the judgment were given in cross-actions between Aileen M. Drew and Her Majesty the Queen, which arose from the expropriation of the property of Aileen M. Drew on February 12, 1954, for the Malton airport, the compensation to be paid her not having been agreed upon. She claimed the sum of $17,330, the amount of a valuation made by Mr. J. E. S. Clare, alleging an agreement between herself and Her Majesty acting through the Minister of Transport (Mr. Hees) that Mr. Clare should appraise the property and both parties should be bound by his evaluation. There are said to be 10 other requests in which the circumstances are similar. The crown successfully denied the alleged agreement and asked the court to fix the compensation for the expropriated property. In the result, the judgment awards to Aileen M. Drew compensation of $11,200 and interest.

(4) The hon. member for Peel was the member of parliament for the constituency in which the properties are situated. As the judgment recites, he had been solicitor for Aileen M. Drew but "dissociated himself from this capacity" after the general election in June, 1957, which resulted in a change of the administration in Ottawa. He was a witness in the action but not a party or a solicitor, and the learned judge's references to him were made in the course of his summary of the evidence and not because such conduct was an issue in the case.

In view of these observations in the judgment and without any conclusion being drawn from them or any charges made by any hon. member against the hon. member for Peel, the house is asked to direct its committee on privileges and elections:

(1) To examine the actions and statements of the hon. member for Peel in connection with the evaluation and expropriation.

(2) To report generally on these matters.

(3) In particular, to consider and report whether the conduct of the hon. member was contrary to the usages of the house, derogatory to the dignity of the house and inconsistent with the standards which parliament is entitled to expect from its members.

The House of Commons has concerned itself with the conduct of a member outside of the house from time to time; for example, where a member used his public office for private gain, has compromised his independence by taking money, or has been found guilty of some scandalous crime. It is provided by law—the Senate and House of Commons Act, R.S.C. 147, s. 1—in the section dealing with the independence of parliament that no member shall hold any office of emolument under the crown nor enter into any contract with the government of Canada for which any public money of Canada is to be paid on pain of forfeiting his seat.

On the other hand, it is clear that many acts which might offend against the law or the moral sense of the community do not involve a member's capacity to serve the people who have chosen him as their representative nor are they contrary to the usage nor derogatory to the dignity of the House of Commons. Members of the House of Commons, like all other citizens, have the right to be regarded as innocent until they are found guilty, and like other citizens they must be charged before they are obliged to stand trial in the courts. Parliament is a court with respect to its own privileges and dignity and the privileges of its members. The question arises whether the house, in the exercise of its judicial functions with respect to the conduct of any of its members, should deprive such member of any of the safeguards and privileges which every man enjoys in any court of the land.

It has been strongly urged by some members that the house should not set in motion its power to try and to judge the conduct of a member unless such member is charged with a specific offence. It is urged further that not only must he be charged, but that he must be charged by a member of the House of Commons standing in his place.

In my view, simple justice requires that no hon. member should have to submit to investigation of his conduct by the house or a committee until he has been charged with an offence. Must this charge be made by another hon. member on his responsibility? The Leader of the Opposition (Mr. Pearson) raised this same issue in the question which he put to me in the following words, as reported in *Hansard* at page 4839:

> If this motion is ruled out of order, does it mean that no question of privilege can be raised in this house for submission to a committee which arises out of allegations, direct or implied, made against a member of this house outside the house by a judgment of a court or in some other way, unless a member associates himself with those allegations to the point where he has himself to lay a charge against another hon. member?

To say yes to this question would be to overlook precedents in which inquiries have been undertaken on the basis of charges implied from documents. Examples are the case of Jean Baptiste Daoust, reported in the *Journals* of the House of Commons for 1876 at pages 1456 to 1460 where a reference to the committee on privileges and elections was ordered after reading entries in the *Journals* for 1866. These entries contained court records relating to the conviction of a Mr. Daoust for forgery. Mr. Daoust, the member, admitted that he was the man in the case and the house referred the matter to the committee.

Another is the Schell case in 1903, as reported in *Hansard* at pages 4959 and 5416, where the charge of contracting with the crown was implied from the report of the Auditor General tabled in the house and the payment of a small sum of $5.50 was admitted by Mr. Schell.

On the authorities it appears to be open to an hon. member to confront the house with charges against another member implicit in documents in the possession of the house, but in my view the charge must be there.

In the case before us no hon. member has taken the responsibility of making a specific charge against the hon. member for Peel. At page 4829 of *Hansard* the hon. member for Essex East says of the Leader of the Opposition, in whose name the motion stands:

> He made no charges, that is true. That is his continuous answer to the Prime Minister who repeats, "Make charges". The Leader of the Opposition said, "We have no charges to make".

If there is a charge, then, which the hon. member for Peel should be called upon to meet it has to be implied from the reasons for judgment already referred to. Did the learned judge in commenting on the evidence say or imply that the member for Peel had been guilty of a criminal offence, perjury for example? Certainly not; and if he had it would have been his responsibility to bring the matter to the attention of the crown for prosecution. Did he intend or imply that the hon. member's conduct was an offence against the independence or dignity of the House of Commons, about which as a former member of that house he would be cognizant and alert? He does not say so. There is no direct charge of this kind in the judge's observations about the hon. member for Peel, nor has any member of this house taken the responsibility himself of saying that such

a charge must be implied from such observations, or of saying what the charge is. Instead, the supporters of the motion say in effect, "Let the committee see if there is anything of this kind with which the member could be charged".

It is true that the judge is critical of the conduct of the hon. member for Peel for influencing the appraiser, Mr. Clare; but his criticism falls more on Mr. Clare, whose professional duty it was to make a fair appraisal, for allowing himself to be influenced. He makes observations, too, about the hon. member's negotiations with the Minister of Transport.

If these observations or "affirmations", as they are styled in the notice of motion, are taken as fact and the worst construction is put on them, it would appear that the hon. member for Peel on behalf of his constituents unsuccessfully attempted to get more generous compensation for them from public funds for the lands which the crown had expropriated than they were warranted in receiving.

This summary does not do justice either way, but the judge's observations are more fully set out in the motion for all to read. If the learned judge, who as I have said had experience of parliament, felt that the conduct of the hon. member for Peel was contrary to the usages and dignity of parliament, would he not have said so?

Two important facts which appear from the judgment are, first, that the hon. member did not stand to gain or profit for himself by anything he did. On the contrary, the learned judge observed that his interest was only political. Second, no public funds were improperly paid out. The amount to be paid was determined by due process of law, in fact by the judge himself, and that is what the judgment was about.

However, the absence of formulation of a charge by the judge or by any member of the house does not absolve me from the responsibility of considering whether the reasons for judgment on their face imply conduct on the part of the hon. member which was contrary to the independence and dignity of the House of Commons of which he is a member; conduct, in other words, which was a breach of its privileges. No close precedent was cited and I have been unable to find any. The privileges of the house are stated in general terms in May, sixteenth edition, pages 42 and 43, as follows:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each house collectively as a constituent part of the high court of parliament, and by members of each house individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals. Thus privilege, though part of the law of the land, is to a certain extent an exemption from the ordinary law. The distinctive mark of a privilege is its ancillary character. The privileges of parliament are rights which are "absolutely necessary for the due execution of its powers." They are enjoyed by individual members, because the house cannot perform its functions without unimpeded use of the services of its members; and by each house for the protection of its members and the vindication of its own authority and dignity.
>
> When any of these rights and immunities, both of the members, individually, and of the assembly in its collective capacity, which are known by the general name of privileges, are disregarded or attacked by any individual or authority, the offence is called a breach of privilege, and is punishable under the law of parliament. Each house also claims the right to punish—

And so on. I think I need not read more because the nature of privilege is generally understood. Examples of the sort of conduct which amount to a breach of privilege or which disqualify a member are the taking of an office of profit, as I have said; entering into contracts with the government which involve a payment or advantage to the member, in both of which cases there are elements of personal gain; conviction of treason or other felonious crimes.

The hon. member's conduct was not of that order. It may have been immature, as one hon. member characterized it, but putting the worst construction on it I do not find that it was the sort of conduct which the house has punished in the past. If there is some doubt in the matter I am clear that the benefit of the doubt should be given to the unaccused.

I should feel happier if this decision could be made by the house, but there seems to be no means by which that can be done except by the usual process of appeal from the ruling which I am now making.

In finding that a question of the privileges of the house is not prima facie involved in this motion, I am making a procedural decision the effect of which will not prevent the further discussion by the house of the matters in issue. The effect is to refuse precedence to this discussion but not to prevent it. No barrier is raised to the presentation of this matter under different circumstances on another occasion. For example, the subject matter could be brought before the house as an amendment to the next motion to go into supply. I should add, too, that the debate on the point of order on Wednesday and the discussion of the same matter on the estimates of the Minister of Transport were broad, and that there would be little left to be said if the motion itself were to be debated this morning.

Therefore the notice of motion standing in the name of the Leader of the Opposition will

be removed from routine proceedings on the order paper and dealt with under paragraph 4 of standing order 15.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in view of what we on this side consider to be the unprecedented character of your ruling, and in view of the fact that if this motion had been moved by the member concerning whom the affirmations had been made it would have been accepted without question as a matter of privilege, we have no alternative on this side, with very great respect, but to appeal your ruling.

Mr. Speaker: Those in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Speaker put the question as follows:

The question is an appeal to the house from a decision of the Chair as follows:

"That the notice of motion standing in the name of the Leader of the Opposition does not involve a prima facie case of a breach of the privileges of the House of Commons on the part of the hon. member for Peel, and that such notice is to be removed from routine proceedings on the order paper and dealt with under paragraph 4 of standing order 15.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Aiken
Aitken, Miss
Allmark
Anderson
Balcer
Baldwin
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bissonnette
Brooks
Broome
Browne (Vancouver-Kingsway)
Bruchesi
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Cathers
Chambers
Charlton
Churchill
Clancy
Coates
Cooper
Courtemanche
Creaghan
Crouse
Diefenbaker
Dinsdale
Doucett
Drysdale
Dubois
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Frechette
Fulton
Grafftey
Green
Grills
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hanbidge
Harkness
Henderson
Hodgson
Horner (Acadia)
Horner (The Battlefords)
Howard
Jones
Jung
Kennedy
Kindt
Knowles
Korchinski
Letourneau
Macdonnell
MacLean (Queens)
MacLellan
Macquarrie
MacRae
McCleave
McFarlane
McGee
McGregor
McLennan
McPhillips
McQuillan
Maloney
Mandziuk
Martel
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nesbitt
Nielsen
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pascoe
Paul
Payne
Pearkes
Phillips
Pigeon
Pugh
Rapp
Rea
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rompre
Simpson
Smith (Calgary South)
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Spencer
Stanton
Starr
Stearns
Stefanson
Stewart
Thompson
Villeneuve
Vivian
Weichel
White
Winch
Winkler
Wratten—131.

NAYS

Messrs:

Badanai
Batten
Benidickson
Boivin
Bourque
Cardin
Caron
Carter
Crestohl
Denis
Dumas
Dupuis
Eudes
Hardie
Hellyer
Herridge
Leduc
Lessard
Loiselle
McIlraith
McMillan
McWilliam
Martin (Essex East)
Michaud
Pearson
Pickersgill
Racine
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Rouleau—32.

[*Later:*]

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he would be willing to make special arrangements so that

the motion standing in my name under paragraph 4 of standing order 15 could be discussed, in view of the fact that normally at this time of the session there would be no opportunity for such discussion.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman asks me to overrule a decision of the house.

Mr. Pearson: Mr. Speaker, I call to your attention the fact that there was no such decision of the house that deals with this matter. The motion is under another standing order, and my question is a perfectly proper one.

Mr. Diefenbaker: My answer still stands.

Mr. Pearson: No discussion.

Mr. Diefenbaker: Hon. gentlemen appealed against the ruling of the Speaker, and the decision of the house is that this motion shall follow the order of business that was determined as a result of the ruling.

[*Later:*]

Mr. Diefenbaker: I should like to make further reference to the question asked by the Leader of the Opposition. May I say this; that I always try to be most helpful—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —and I am now going to give him the opportunity to discuss this case if he desires to follow it through.

While it had been arranged—and it is always subject to change—that the supply motion should not come up on Monday, you have pointed out, Mr. Speaker, that this matter could be reviewed in detail on a supply motion. I now give the Leader of the Opposition the offer that if he desires we will change the order of business on Monday in order to enable him and those associated with him to do what has been suggested might be possible, namely to bring this question up on a motion for supply.

Mr. Pearson: Once the Prime Minister refused to suspend the business of the house to discuss this question, I was about to ask the leader of the house if he would arrange the order of business so as to take a supply motion on Monday. I gather that the Prime Minister is agreeable to that course, and I welcome the opportunity which has been given to us.

EXPORT CREDITS INSURANCE ACT

AMENDMENT TO DELETE REFERENCE TO GOVERNOR OF BANK OF CANADA, TO EXTEND APPLICATION OF ACT, ETC.

Hon. Gordon Churchill (Minister of Trade and Commerce) moved the first reading of Bill No. S-22 (from the Senate) to amend the Export Credits Insurance Act.

Motion agreed to and bill read the first time.

IMMIGRATION

H. C. BANKS—REQUEST FOR DEPORTATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Citizenship and Immigration. In view of the fact the seafarers' international union has been suspended from membership in the Canadian Labour Congress; and in view of the fact that the petition for Canadian citizenship of Harold Chamberlain Banks, the union's vice president, was rejected by the president of a citizenship court because the court considered him an undesirable character; and in view of Canadian public opinion and in the interests of the Canadian labour movement and the welfare of the Canadian people generally, would the government now consider the time appropriate to deport this undesirable alien?

Some hon. Members: Hear, hear.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, Mr. Hal Banks has Canadian domicile. There are no provisions or regulations under the present act by which deportation could be ordered.

Mr. Herridge: I should like to ask a supplementary question. In view of the obvious sentiment of the members expressed on all sides of this house at the conclusion of my question, does the minister not think this parliament expects the government of Canada to speak up for Canada on this question?

Mrs. Fairclough: Mr. Speaker, as the minister of this department I think it is my duty to observe the law.

[*Later:*]

Mr. W. C. Henderson (Cariboo): I heartily concur, regarding this Banks case, with the hon. member for Kootenay East. It is time for the government to deport this man.

Mr. Speaker: Order. Unless the hon. member is about to move a motion of privilege, I would remind him that he cannot make a speech at this time. If he wishes to ask a supplementary question he will be in order.

Mr. Henderson: Then I should like the minister of immigration to tell us why this man cannot be deported. He is just a gangster.

Mr. Speaker: The Minister of Citizenship and Immigration is not in the habit of repeating herself.

Inquiries of the Ministry

(Translation):

SHIPPING

MONTREAL-KINGSTON—REQUEST FOR APPROVAL OF PILOTAGE DUES

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, yesterday I asked the following question of the Minister of Transport:

Mr. Speaker, may I ask a question of the Minister of Transport or, in his absence, the Acting Minister of Transport. He might take this question as notice. In view of the dispute between pilots of the Montreal-Kingston district and the shipping federation, why has not the minister had the pilotage dues approved by the governor in council as required by the Canada Shipping Act? Will the minister see that they are approved without delay?

Hon. Leon Balcer (Solicitor General): Mr. Speaker, I will take this question as notice.

Would the acting minister kindly answer that question; it is a most urgent one, particularly in view of the circumstances, of which he is no doubt aware? Moreover, would the acting minister inform the house of the latest developments in this connection?

Hon. Leon Balcer (Acting Minister of Transport): Mr. Speaker, I shall take this second question as notice. With regard to the first question, the Minister of Transport will reply personally.

Mr. Denis: Mr. Speaker, may I ask a supplementary question? Is the acting minister aware of the news report carried in the morning papers, particularly in the *Gazette,* to the effect that the only thing needed for a settlement of this matter is a written statement from the Minister of Transport or his deputy minister?

Mr. Balcer: Mr. Speaker, I have not read that particular item, but I feel that the house can have full confidence in the Minister of Transport.

If settlement of this matter merely requires putting something down in writing, as the hon. member for St. Denis has indicated, the Minister of Transport is certainly able to do so.

Mr. Denis: A further supplementary question, Mr. Speaker. Does the acting minister not realize that unless this dispute is settled by 6 o'clock tonight, meetings will be held and there is a possibility that no settlement will be reached in time for the arrival of Her Majesty the Queen?

[Mr. Speaker.]

(Text):

ATOMIC ENERGY

INQUIRY AS TO CHOICE OF SITE FOR ATOMIC POWER STATION

On the orders of the day:

Mr. A. E. Robinson (Bruce): I wish to direct a question to the Minister of Trade and Commerce arising out of the statement he made yesterday concerning the construction of a proposed atomic energy power plant. My question is related to one sentence in the statement referred to, the sentence on page 4862 of *Hansard* for June 18, which reads:

In addition to substantial support in the design of this CANDU station, Ontario hydro will provide a site, co-operate in its construction, and operate it as a unit in its power distribution system.

My question is, will the choosing of this site be left directly to the Ontario hydro, or will the federal government be consulted?

Hon. Gordon Churchill (Minister of Trade and Commerce): In answer to this question may I say that there will be consultations among all the parties concerned, Ontario hydro, the government of Ontario, the federal government, Atomic Energy of Canada Limited and so on.

Mr. Robinson: A supplementary question. Since the federal government will be taking part in the choosing of a site, will the minister assure the house that the district known as the Bruce peninsula will be looked at, owing to the fact that it has the proper rock foundations which are necessary for such construction, and also an unlimited supply of clear blue water?

Mr. Speaker: Order. I am afraid the hon. member has completed his advertisement, but if every hon. member took the same privilege before orders of the day it would take some time.

POST OFFICE DEPARTMENT

REPORTED SOLVING OF MAIL ROBBERY

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I be permitted to direct a question to the Postmaster General. According to a report in the Montreal *Gazette* of June 16, a mail robbery has been solved, and the subtitle is "Gift to Girl Friend Results in Jail Term". May I inquire from the Postmaster General if the R.C.M.P. had been called to solve that robbery?

Hon. W. M. Hamilton (Postmaster General): I am not aware, Mr. Speaker, that the R.C.M.P. is associated with anyone's girl friend.

PIPE LINES

NORTHERN ONTARIO PIPE LINE—SUGGESTED PUBLIC OWNERSHIP

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Trade and Commerce. In view of the statement by Robert C. Berry, vice president and treasurer of Trans-Canada Pipe Lines Limited to the annual convention of the national federation of financial analysts societies to the effect that "looking farther ahead into 1961 it will be necessary for Trans-Canada to seriously consider acquiring the crown section of the pipe line late in that year", would the minister inform the house if the government has given any consideration to operating this section of the line under public ownership?

Hon. Gordon Churchill (Minister of Trade Commerce): No, Mr. Speaker.

(Translation):

ROYAL VISIT

INQUIRY AS TO PRINTER OF ENGLISH LANGUAGE BROCHURE

On the orders of the day:

Mr. Marcel Boivin (Shefford): Mr. Speaker, I should like to direct a question to the hon. Secretary of State, and I regret having failed to give him notice of it.

There has come to us a copy of the booklet entitled *Royal Tour of Canada 1959*, and I find that corrections were made on page 2 and that the name of the printer is not shown. Would it be possible to know who printed the English edition?

Hon. Henri Courtemanche (Secretary of State): Mr. Speaker, I believe, although I am not positive, that it was the queen's printer.

Mr. Alexis Caron (Hull): Mr. Speaker, I should like to ask a supplementary question. Could the hon. Secretary of State obtain this information and relay it to the house?

Mr. Courtemanche: Certainly, Mr. Speaker.

PRIVILEGE

MR. RACINE—REFERENCE TO ARTICLE IN "LE DEVOIR" OF JUNE 19

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, on a question of privilege. Yesterday, in the course of my speech, and as recorded on page 4878 of *Hansard*, I quoted from an article by the parliamentary correspondent of *Le Devoir* about Canada's economic activity, as follows:

At the present rate of Canadian recovery, we can hardly hope to be back to normal until 1968.

Supply—Justice

Now, Mr. Speaker, I was informed this morning—and I later ascertained from the original text of the parliamentary correspondent—that a typographical error had been made in the text, which should read as follows:

—until 1961—

Instead of:

—1968.

(Text):

AIRPORTS

GANDER—INCREASE IN TOURIST LANDING FEES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Acting Minister of Transport, and ask him whether it is true that the landing fees for tourist aircraft at Gander have been increased. If this has been done in order to discourage congestion, would the department give consideration to removing that increase?

Hon. Leon Balcer (Acting Minister of Transport): I will make inquiries and answer on Monday.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS TO INCREASE RATES OF REMUNERATION AND CONTRIBUTIONS, ETC.

Hon. Michael Starr (Minister of Labour) moved the third reading of Bill No. C-43, to amend the Unemployment Insurance Act.

Motion agreed to, on division, and bill read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Rea in the chair.

DEPARTMENT OF JUSTICE

A—Department—

149. Departmental administration including annual contribution of $200 to the conference of commissioners on uniformity of legislation in Canada, $741,825.

Mr. Maloney: Mr. Chairman, when the debate on this item was adjourned last night I had put forward the suggestion that the government might give some study to the possibility of intervening at the federal level in the probation field. Probation is something of which I have always urged a much wider and much more liberal use consistent, necessarily, with the establishment of adequate probation facilities in the various provinces.

The Fauteux committee members in their report stressed that in a modern correctional

system there was no place for punishment which is based on nothing more than retribution. They urged too that an offender's rehabilitation should, wherever possible, be effected without placing upon him the stigma of imprisonment. The members of this committee expressed the view that adult probation was the area of correction in Canada where the most significant advance is required to be made. It is my firm belief that if we are to make our prisons centres of reformation, places in which law violators can be reclaimed as useful members of society, a very serious reduction in the prison population has to be brought about.

In Great Britain with its much larger population only 34,000 individuals were given prison terms in 1953. In the same year in Canada, with its much smaller population, 98,000 persons received prison terms. I have no doubt that more recent figures would show a contrast that would be equally startling.

In our penitentiaries in Canada today we have a population of about 6,000 inmates, and in our provincial prisons and institutions a population of approximately 11,000. Over 60 per cent of those sent to prison in Canada each year are sent for the purpose of serving terms of imprisonment for 90 days or less. According to our chief probation officer in the province of Ontario, Mr. Dan Coghlan, probation achieved success in not less than 70 per cent of the cases in our province, and that estimate is a deliberately conservative one. Imprisonment has failed because in 75 per cent of the cases of those admitted to federal penitentiaries and in 65 to 70 per cent of the cases of those admitted to provincial institutions these persons had been incarcerated before. Wherever probation has been experimented with very satisfactory results have been achieved.

In England not so long ago, under the direction of the celebrated Dr. Radzinowicz, the Cambridge department of criminal science conducted a survey of 4,000 adult offenders who had been released from probation a full three years. The group of 4,000 consisted of first, second and multiple offenders. The result was that in the over-all picture 71 per cent were still living as law-abiding citizens. Actually in the case of the first offenders the percentage was 88 per cent.

One of the main difficulties in Canada in the field of probation is the lack of uniformity in the establishment of probation facilities in the various provinces. This is largely due to a lack of funds on the part of some of the provinces, and I suppose it is partly due to a lack of interest, perhaps an apathy or indifference, on the part of the public.

I should like our government to give some thought to the possibility of easing the financial burden on the provinces either by direct grants or—and this might be the more orderly solution—by the assumption on a national basis of full responsibility in the field of probation, as the government has already done in the field of parole. So closely related are the two areas of probation and parole that it occurs to me the machinery of our national board of parole, which is now really just beginning to function, could be utilized in the event of the assumption by the federal authority of full responsibility in this field.

One hesitates to suggest to a government that is already required to spend so much money in the public interest that it should spend further sums, but in my opinion there would be a long term economy involved in the immediate expenditure of whatever sums are needed to make our probation system more uniform.

In Ontario, where the number released annually on probation has increased from about 2,500 in 1952 to about 7,000 in 1958, the figures are very startling. The total number under probation supervision in Ontario in 1958 was 12,599. Of this figure the number who were actually placed on probation during the year 1958 was 7,107. But it is the economic benefits that are collateral to this that I find so impressive.

The total amount of restitution collected from probationers following criminal convictions in Ontario in the year 1958 was $71,295. The total amount of support money collected for deserted wives and children from offenders who were released on probation—people who otherwise might have been the subject of welfare benefits—was $2,396,-525.64. Perhaps the most striking figure of all is represented by the total amount of earnings of adult probationers in Ontario in 1958. Their earnings were in the vicinity of $15 million.

In the light of these figures I think it worth while to contrast the cost of probation to the state and the cost of imprisonment.

The cost of probation per individual per year in Ontario is roughly estimated to be in the vicinity of $250. Some might give a lesser figure than that, but I am sure a lesser figure would fail to make allowance for some of the incidental expenditures that are involved in maintaining a proper probation system. It is roughly estimated, then, to be in the neighbourhood of $250. The cost of keeping an offender in prison, on the other hand, will range from between $1,500 to $2,500, depending upon the institution and upon other factors. If each of the 7,000 Ontario

probationers in 1958 had gone to prison the cost to the taxpayer would have been several millions of dollars, and the other collateral financial benefits to which I referred would not have been realized at all.

The province of Ontario has taken the lead in this country in the field of probation, has made most remarkable advances and has expanded its system to a marked degree. The province of British Columbia ranks second in terms of progress in this field. In 1942 British Columbia had one adult probation officer and one office, which I believe was located in Vancouver. Today that province has a probation personnel of about 35 and branch offices that number about 17. The results in both British Columbia and Ontario have been satisfactory and gratifying. I therefore repeat what I said at the outset. With a view to bringing about the establishment of uniformity in the probation system I recommend that our government consider the possibility of some form of intervention in this field.

There is one other matter I wish to briefly mention that is not related to probation but deals with another point altogether. This is a matter which I suggest be considered in the future by way of amendment to the Criminal Code. The change I would suggest is a change in the present requirement of the law that juries in criminal cases must be unanimous before rendering a verdict of either guilty or not guilty. After a long experience in the field and following some particularly trying experiences in criminal cases that resulted in disagreements—or, as the layman knows them, in "hung" juries—and I think I speak the minds of a number of my colleagues at the bar—I suggest that the Criminal Code be amended to provide that a majority verdict should be permitted to bring about an acquittal, though I firmly believe that if this were done the present requirement of unanimity in respect to conviction or a verdict of guilty should be retained.

My reason for taking that position is this. Under our laws, as hon. members well know, guilt cannot be proved except by evidence that establishes it beyond reasonable doubt. It is my belief that if the majority of jurors, particularly a substantial majority, are in doubt we cannot help but believe a reasonable doubt exists. On the other hand, where one juror retains a doubt it is my opinion that guilt could not then be deemed to have been established beyond a reasonable doubt. Sir James Stephen, a great English authority in the field of criminal jurisprudence, advocated the change years ago that I today recommend.

By way of illustration I want to show you the hardship that the present law in respect to unanimity so often works. Some of the hon. members, especially those from the Toronto area, will have read in the last few weeks about the famous Aconic trial, a prosecution that began, I think, early last fall, a trial that lasted six weeks, which resulted in a disagreement in which the majority of the jurors wished to give a verdict of acquittal. On the retrial the same result occurred after a four-week trial, when the jurors were 11 to 1 in favour of an acquittal, and one juror succeeded in preventing a verdict of not guilty from being rendered. A case of that sort emphasizes the enormous cost to the taxpayer of a prosecution of that kind and, of course, the very considerable cost and expense to the accused.

I can recall so well a case just a few months ago in which I was involved, involving a young boy of 20 or 21 who came from an excellent home. He had a fine past record, no record of any previous criminal conviction. He was charged with a rather trivial theft. He came before a jury and the jury retired to consider their verdict. In this case the proceedings took place in a rural community where court room facilities are such that the jury room is not as sound proof as in some of the urban areas. The spectators in the court room could not help being able to hear what was going on in the confines of the jury room.

These jurors were, as they ultimately disclosed, 11 to 1 in favour of acquitting this young boy who put forward a perfectly credible, valid defence; but one juror took the position that he would sit there—and I still remember him saying it—as he had often done at board meetings he had attended—until three in the morning before he would give in. He went on to say that if this young boy were acquitted other city youth would come up to the country in the summer time and vandalize their cottages. They were totally irrelevant considerations and obviously were not entitled to any weight, particularly in view of the strong feeling among all the other jurors in favour of an acquittal.

In both the cases I have cited, the Aconic case and the case of the young boy in which I personnally was involved as counsel, the Attorney General of Ontario, on an application to him, did what he of course had the power to do, namely direct a stay of proceedings in both indictments. These are only two illustrations of how the requirement about unanimity works hardship, and hon. members could be given many more.

I thank hon. members for the attention they have given my remarks. I commend them to the minister and to the government for such consideration as they feel they deserve.

Mr. Fulton: Mr. Chairman, there are one or two replies that I think I should give before the item carries, since it is the first item of the main estimates of the department. I would like to refer immediately to what has been said by the hon. member for Parkdale, and to thank him for the constructive suggestions which, in keeping with his knowledge and experience in this whole field, we have come to expect from him.

With regard to the question of probation, I think the hon. member and the committee also will be glad to know that at the time of the conference with the provinces in October of last year, when we disclosed the implementation of the Fauteux report and other matters in connection therewith, there was some consideration given to this question of the relationship between the federal parole service and the provincial probation service. Following that conference and when we set up the correctional planning committee, it was one of the subjects which they were instructed to examine and to discuss with the provinces in detail, particularly the ways in which there might be more effective integration of the services provided by the two governments in these two fields.

The hon. member will, of course, appreciate that we cannot act unilaterally here because, if I appreciate the situation correctly, probation officers are in general, at any rate, officers of the court and as such they are provincial officers; but there is a close relationship between the functions of a probation officer and the functions of the parole officers, and close relationship between the needs and situations. Although they are not exactly parallel, there is some relationship between the needs and situations of those who are out on probation after being convicted and those who are out on parole after serving a portion of their sentences, and other areas in which we believe we can usefully co-operate with the provinces, such as in the stimulation of the facilities for training of these officers.

This will require a program of training parole officers. It may well be that the same program could be of use in the training of probation officers, so that this is a matter to which we are giving attention. But, of course, the actual steps we can take will depend upon the extent to which effective agreement may be reached with the provinces.

With regard to the other suggestion about unanimity in juries before there shall be a finding, there is a good deal to be considered in what the hon. member says; but on the other hand I would think there is also a good deal to be said for retaining the principle that a jury must be unanimous before it makes a finding of either guilty or not guilty. There is much to be said both ways. So far the arguments in favour of the retention of the present system seem to have outweighed those in favour of a change, but the observations of the hon. member will be closely studied.

There is some information I have here that I should perhaps just put on the record before one o'clock. On an earlier occasion, when the bill to amend the Judges Act was being discussed, the hon. member for Bonavista-Twillingate asked me in effect whether the time which elapsed between the death of the former chief justice and the appointment of the new chief justice of Newfoundland was a record in that respect. I undertook to get what information I could and give it to the hon. gentleman on my estimates. I find the record established clearly that in comparison with what has taken place on some other occasions, the appointment of the new chief justice of Newfoundland was actually made with some considerable dispatch.

Here are some records of the time lag between the demise in office of one chief justice of a province and the appointment of another. There was one year, five months and seven days in the case of J. B. M. Baxter, chief justice of New Brunswick, who died on December 27, 1946, and was succeeded by C. D. Richards on June 3, 1948. The next one; one year, three months, nine days; Alexander Morris, chief justice of Manitoba, was appointed lieutenant governor of Manitoba on December 2, 1872, succeeded by E. B. Wood, March 11, 1874; eight months, 12 days, Sir Matthew B. Beglie, chief justice of British Columbia, died June 11, 1894, succeeded by Theodore Davie, February 23, 1895.

Perhaps I should give the longer ones. Here is the next, and it has to do with chief justices of trial courts; four years, eight months, 18 days, J. H. Barry—

Mr. Pickersgill: It was the chief justices of the provinces I was interested in.

Mr. Fulton: I have just given the chief justices of the provinces. I will give these others, too, if the hon. member wishes.

Mr. Pickersgill: It was only the chief justices of the provinces that I asked for. I do not mind having the others, too. It is interesting historically.

Mr. Fulton: I do not know whether the committee wishes to take the time.

Mr. Pickersgill: I would be quite happy—I am sure the committee would—if the minister would put the cases on *Hansard*. They are interesting historically.

Mr. Fulton: Perhaps I had better read out the list of provincial chief justices. The next one is seven months, 14 days; Sir R. L. Weatherbe, chief justice of the supreme court of Nova Scotia, retired March 19, 1907, succeeded by C. J. Townshend, November 2, 1907; five months, 23 days, D. A. McDonald, chief justice of British Columbia, died April 10, 1944, succeeded by Gordon McGregor Sloan, October 3, 1944; five months, sixteen days, Theodore Davie, chief justice of British Columbia, died March 7, 1898, succeeded by A. J McColl, August 23, 1898.

With respect to the chief justices of the trial courts the periods have run as high as four years, eight months and eighteen days, and I have on record here one of five months and two days. There are four cases in between those two periods.

Mr. Pickersgill: There is one other question I asked the minister about the Judges Act which he might answer now, and that was whether there was any provision for payment of the salary in case of the proclamation of the act of Newfoundland. If the minister has not the information now it can be given later. I do not want to hold up the item for that.

Mr. Fulton: I understand that a letter from the attorney general of Newfoundland has just been received this morning. We have not had time to study it, but it does refer to the situation and under those circumstances I would prefer not to reply until I have had a chance to look at the correspondence.

Mr. Pickersgill: I think the minister does not remember my question. Is there any provision in the existing law for the payment of the salary? If the minister would like to answer that on another item that will be all right.

Mr. Fulton: I can answer it right now. No, there is not.

Item agreed to.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

150. Parole Act administration, including $60,000 for grants to recognized prisoners' aid societies as may be approved by treasury board, $344,531.

Mr. Roberge: Yesterday, Mr. Chairman, the hon. member for Hochelaga put some questions to the minister. I wonder if the minister is able to answer them now.

Mr. Fulton: As I recall the questions they were, first, whether or not a woman would be appointed to the parole board; second, how many women are in the prisons of Canada; and third, whether there is any differentiation in treatment between men and women in federal prisons?

With regard to the first question, I may say it is true we have had a number of representations to the effect that a woman should be appointed to the parole board. As my hon. friend is aware, the National Parole Act does authorize five members for the board. Up to the present time we have appointed four members to the board, leaving one vacancy.

It is not an easy problem to decide who should be appointed to the vacancy, if and when an appointment should become desirable. The recommendations of the Fauteux committee indicated that in their opinion there should be several groups represented on the board, and not all of those groups are presently represented.

Amongst those groups not represented I could mention the women of Canada, ex-members of police forces of Canada and members of the clergy. In our efforts to achieve a representative board we have left this vacancy. We have two things to decide; first, whether a fifth member should be appointed, and if so from what group that member should come. I am not saying at the moment we are contemplating the appointment of a fifth member, because we want to see how the board will operate and we want to assess the experience of the board; then on the basis of that experience assess the question of whether or not a fifth member should be appointed and from what group that member should come. We have not at the present time, therefore, reached any decision on that point.

With regard to the number of women prisoners in the federal prison system, I am told that at the moment there are 98 women prisoners. This figure represents about the average number of women prisoners who have been in our system over the past years; that is to say, the female population of federal prisons represents less than 2 per cent of the total population.

With respect to their treatment, there is no differentiation except that they are confined in separate institutions. The general program of training and reformation, pre-release programs, all those aspects of the penitentiary program are the same in their application to female prisoners as they are with respect to male prisoners.

Mr. Roberge: There is another matter that I believe the minister overlooked. At the very outset of the remarks made by the hon. member for Hochelaga he said—I am

reading now from the English translation of what my hon. friend said in French, and this is at page 4 of the English translation of *Hansard* of yesterday—

> The parole board has now replaced the remission service.
>
> It would be of general interest, I think, to make known the number of prisoners in this country for the various provinces, also how many of these prisoners' files have been studied by the new parole board and the result of that study.

Then the hon. member went on to say:

> The committee would also be interested to hear from the minister how this parole board operates.

Mr. Fulton: Mr. Chairman, the question referred to by my hon. friend is one the answer to which must come from two sources, the penitentiary branch and the parole board. The question asks that we make known the number of prisoners in this country in the various provinces, and that is information I expect to obtain and supply to the committee when the penitentiary branch item is before the committee.

The other part of the question is, how many of these prisoners' files have been studied by the new parole board and the results of that study. I am told that something in the neighbourhood of 2,000 files have been studied, but the exact figure is not yet available. This figure will also be available at the time the penitentiary item is called.

Mr. Roberge: At the same time, would the minister advise the committee how many prisoners were pardoned and how many are on ticket of leave as a result of that study?

Mr. Fulton: I am told that the percentage is 32.6 per cent. In other words, of the files studied 32 per cent have been parolled. As the hon. member will recall I distinguish between parole and pardon. Pardon is a function of the executive. Of the files studied 32 per cent have been parolled since the parole board commenced its operation.

Mr. Roberge: I note that this item asks for $60,000 for grants to recognized prisoners' aid societies as may be approved by treasury board. At page 217 I note that last year the amount was $50,000 and that this year the amount asked for from parliament is $60,000. I have no quarrel with that increase because that would be for the benefit of the prisoners when they come out of the penitentiary or the prison, I suppose. What I should like to know is this, and I think it is a matter of public interest. It may be of assistance to the prisoners and their families to know what are the societies that are concerned.

Mr. Fulton: The list is quite lengthy. The Salvation Army national service—did my hon. friend ask for the amounts they received?

[Mr. Roberge.]

Mr. Roberge: No. I should just like to have the names of the agencies so the public may be made aware of these societies.

Mr. Fulton: Salvation Army national service; John Howard society of Newfoundland, John Howard society of Nova Scotia; John Howard society of New Brunswick; Catholic rehabilitation service, Montreal; centre de service social de Trois-Rivieres; John Howard society of Quebec; service de rehabilitation sociale inc. Quebec; service social de Beauce; service social de l'enfance Chicoutimi; service social de Gaspe; service social de Hull; service social de Joliette; service social de Levis; service social de Megantic (Thetford Mines); service social de Nicolet; service social de Rimouski; service social de St. Hyacinthe; service social de St. Jean d'Iberville; service social de St. Jerome; service social de Valleyfield; societe d'orientation et rehabilitation sociale de Montreal; societe de rehabilitation de Sherbrooke; Catholic adjustment bureau, Toronto; the Elizabeth Fry society of Ontario; the John Howard society of Ontario; Catholic welfare bureau, Winnipeg; John Howard and Elizabeth Fry society of Manitoba; Manitoba welfare association, Winnipeg; John Howard society of Saskatchewan; John Howard society of Alberta; John Howard society of British Columbia; John Howard society of Vancouver island.

These various organizations received grants under this item in the last fiscal year totalling $50,000 and this year will receive grants totalling $60,000.

Mr. Roberge: I said earlier that I did not want the amount received by each of them, but I could have the average amount received by each of them; or is that too complicated? I should be glad to be furnished with the information later on.

Mr. Fulton: I do not think it would be possible to give an average, because the awards by the branch are made on the basis of the case work done by the respective societies I have mentioned. It just would not be possible to give an average. I shall be glad to send over to the hon. gentleman, if he wishes it, a list showing the amounts paid in the last fiscal year.

Mr. Roberge: Later on, when the minister is through, he could furnish that information. He could do that later on, not necessarily on the estimates. Later on I will be interested in receiving that information.

Mr. Fulton: All right.

Mr. Roberge: There is a service sociale in my own constituency of Megantic. I should like to know whether this service sociale is able to participate in that vote and receive

any award. I hope that as a result of this information they will make application, and I hope the application will be considered favourably.

Mr. Fulton: Last year that society received a grant of $150 and I am assured that provided the society has handled case work this year, they will get a grant commensurate with the number of cases they have handled and increased in proportion to the total increase for this year over last year.

Mr. Roberge: I want to apologize. Maybe I did not hear very well, but I did not think this service sociale was included in the list given by the minister.

Mr. Fulton: Yes. If I left it out, I am sorry. I have it on my list, service sociale de Megantic and Thetford Mines.

Mr. Martin (Essex East): I am not sure that I understood what the minister said with respect to grants. Did the John Howard society receive grants in every province? I do not want my hon. friend to give the list over again. I think he said that on Vancouver island the John Howard society receives a grant. Is there any John Howard society for British Columbia as a whole?

Mr. Fulton: Yes, there is; it is included in the list. They have a separate John Howard society on Vancouver island, as they have in various other points in Canada. We made grants to the provincial organizations and to the local ones.

Item agreed to.

151. Administration, $218,599.

Mr. Aiken: I should like to ask the Minister of Justice some questions relating to judges' salaries and retiring allowances. I see it generally comes under items 151 to 155. I trust that the Chairman will permit me to discuss these items together, as they are so similar in nature. I should like to preface my questions with a few remarks.

Canada has always had and now has a judiciary of which we have been extremely proud. The principles of independence from outside influence and the security of office during good behaviour has been one of the things that have kept the judicial system in Canada in good standing. In order to maintain these high standards it is necessary to draw from the legal profession—

Mr. Robichaud: Mr. Chairman, I rise on a point of order and I want your ruling on it. I wonder whether it is in order to discuss judges' salaries on a statutory item.

Mr. Aiken: I was not proposing to discuss a statutory item. I was discussing, as I thought, items 151, 152, 153, 154 and 155 which are administration items, under the increase of judges' salaries. I will admit that the salaries themselves are statutory. I was attempting to discuss the matter under the administration items, which are not statutory.

Mr. Drysdale: Is that all right?

The Deputy Chairman: I am sure the hon. member realizes that he cannot discuss statutory items.

Mr. Howard: If I may be permitted to do so, I should like to say a word on a point of order.

The Deputy Chairman: Except on the administration item.

Mr. Howard: I recall getting into the same sort of discussion on the estimates of the Department of Public Works, when this same question was raised not on the administration item but on the statutory item in connection with a vote which related to substantially the same thing. I do not recall the date right now but it was during last session, when this same point of order was raised as to whether I could inquire with respect to a statutory item contained in the estimates while the particular vote number that was connected with it was under discussion. The ruling at that time was that it was quite in order to do so.

Mr. Aiken: I was saying that in order to maintain the high standard which the Canadian people have come to expect, we do have to choose from the legal profession of Canada those people who are best qualified to give good service to the country. There have been cases of barristers who have been known to refuse judicial appointments because of the monetary consideration involved. This applies both with regard to salaries and with regard to retirement allowances. It has not always been a case of paying these people what they are worth. In many cases judges must be drawn from members of the legal profession who are at the very peak of their careers. They have built up their practices to their highest extent, and incurred obligations and undertaken a standard of living which they naturally seek to maintain, and they should not be asked to lower their standards of living because of the acceptance of a judicial position.

Closely tied to this matter is the question of the judges' retiring allowances. I am told, for example, that the retiring allowance of a county court judge 37 years ago was $5,000. That was the allowance on his retirement after completing his service. And I understand that the allowance today is $5,333.33. I do not wish to discuss this question of salaries in

any detail, but I do feel that proper consideration should be given to it. After all, our judicial officers must be people who are well qualified and well considered, and they must be chosen from the top bracket of the legal profession in Canada.

I want to ask the minister two questions, and perhaps he could answer them together. First, has any consideration been given to a revision of the salaries and retiring allowances paid to judges? Second, what is the last date on which a revision was made? This inquiry is a general one, in that I refer to the judicial system from the supreme court down to the county court, and I should be very pleased if the minister could give the committee some information along the lines I have suggested.

Mr. Fulton: The last date upon which there was a revision of judicial salaries and retiring allowances was 1955, in chapter 48 of the statutes of that year. This raised the level of the salaries of judges of all the courts in Canada. At that time, however, there was a provision written into the statute that the retiring allowances, which were set at two thirds of the salaries, would be paid in relation to the salaries in effect prior to the amendment, so that although the judges of all the courts in Canada received an increase in their salaries there was no increase in retirement allowances as a result of that bill.

This situation has given rise to a good deal of comment. I do not like to use extreme words in connection with the judiciary, but I think it is fair to say that the situation has been the subject of representations by members of the judiciary. That, I think, is quite proper. Members of the judiciary feel, they tell me, that if as the statutes have provided for many years they are entitled to retiring allowances at the rate of two-thirds of their salaries, they can see no reason why, when the salary had been raised, presumably in response to the general increase in the cost of living which affects judges as it affects everybody else, the retirement allowances should not be raised proportionately. They are unable to understand why, on the contrary, it should have been pegged at two-thirds of the salaries formerly in effect.

This question of salary and retirement allowance is one to which my department and I, personally, as minister, have been giving intensive consideration. We find that there are a number of anomalies, too far-reaching to be discussed in detail here, when we are after all dealing with salaries which are fixed by statute. But there are anomalies, and perhaps I could refer to some of them.

There is the question of whether or not judges should be allowed to accept remuneration for their services on various boards and commissions, because it is an undoubted fact that in some cases certain judges receive substantial emoluments by way of remuneration for serving on such boards and commissions, thus adding substantially to their salaries, whereas in other areas judges who are consistently busy with their judicial duties are not able to accept such appointments or do not have occasion to accept such appointments to boards or commissions, and who therefore have no such increments to their salaries.

This situation is one which gives me great concern, and I have instituted in the department and in co-operation with the attorneys general of a number of provinces a study designed to enable us to arrive at a definite conclusion as to what are the facts and figures, and I hope that in the light of this study I will in due course be able to recommend to my colleague a sensible and perhaps substantial revision of the whole basis of judicial salaries and retirement allowances.

However, until I have received reports on this study I am afraid I am not able to indicate to my hon. friend or, indeed, to the bench, which I know is concerned about this matter, whether we are going to do anything about judicial salaries and retirement allowances at this session. This is a subject which I think should be studied by the bar association as a whole and, indeed, by the bench of Canada. There are some quite startling figures which emerge from a comparison of the situation of the bench in this country and in other countries with respect to this subject.

Mr. Martin (Essex East): The minister, in replying to that question, has anticipated some observations I was about to make. The hon. gentlemen will recall that earlier in the session I asked him whether he had been accurately reported as to the use of judges on boards—I think it was both boards and commissions including, of course, conciliation boards in the province of Ontario. Chief Justice McRuer had at one time taken a strong position that there should be a limitation placed upon their participation in the work of these boards.

I forget the precise words the minister used which formed the basis of my interrogation at that time, but generally—and it was not, I think, an improper observation—the hon. gentleman said he felt there should be some limitation, at any rate, upon their functioning on such boards and commissions. I am sure he did not have in mind the use of county court judges on police commissions, though it is a fact that county court judges do derive income—or at least they do in communities with which I am familiar—for

such services. The minister has said he is now reviewing the question of the extent of the emoluments that are received by members of the judiciary from these various extrajudicial activities which are open to them in many provinces and, certainly, in large cities. But he did not expand—and indeed he was not asked to do so—on the question of their participation in a wide series of boards, commissions, administrative tribunals, administrative bodies and the like.

Recently a very competent judge in the province of Ontario was named by the government to head the civil service commission of Canada, and nothing I have to say is, of course, a reflection in any way on his competence for that particular assignment or in any way to be regarded as a criticism of that appointment—

Mr. Fulton: The hon. gentleman will appreciate, of course, that that particular judge is resigning from the bench.

Mr. Martin (Essex East): I know he has resigned from the bench, but I did see somewhere in the press that he would be regarded as on leave. The minister shakes his head and indicates that that is incorrect.

Mr. Fulton: It is incorrect.

Mr. Martin (Essex East): I think that is satisfactory. I am not saying there would not have been a precedent for that, but I think it is somewhat doubtful that a man should continue to be regarded as a judge and at the same time be afforded the opportunity of serving in a non-judicial capacity. However, the minister says this particular appointee is resigning from the bench and, for the term of his present appointment at any rate, will not be regarded as a judicial officer.

But I would appreciate it if the minister would say something, if he is in a position to do so, about his view as Minister of Justice with regard to the use of judges on these extrajudicial bodies. I know this is not a very easy decision to make, and I am not holding the minister to a precise answer. I know he is thinking about it. But when he does make his comment, or give final consideration to the matter, I know he will bear in mind that there are certain judges who have special qualifications for particular assignments, and many of those assignments cannot properly be discharged, I think, but for the participation of such individuals.

This only serves to illustrate, I suggest, that to every rule, unless it be a law, some exception should be provided. In any event, this is an important matter and one which interests lawyers generally. It interests the bar association and I am sure it interests the membership of this committee, and I should be grateful to the minister if he would comment on the subject I have mentioned.

Mr. Fulton: With respect to the position of the learned judge who, as has been announced by the Prime Minister, will become chairman of the civil service commission on July 1, I should like to make it perfectly clear that he is resigning, and I will expect to receive shortly from him a formal letter of his resignation from the bench. He will carry into his position as chairman of the civil service commission all the qualities and qualifications which led to his appointment to the high court of Ontario, but he will not be continuing in that capacity. There will be a vacancy, to which another judge will be appointed.

With respect to the difficult but important question of the extent to which judges should be permitted or, indeed, should be called upon to serve in capacities which are not strictly judicial while at the same time continuing as members of the bench, I should like to make some comment and yet, at the same time, make it clear that my comments are to some extent not conclusive; that they reflect only, at this point, the result of some study I have given to the matter. I would hope not to see in the press, or elsewhere tomorrow statements that the Minister of Justice had decided this or that, because I have not reached that stage as yet.

But I am concerned about this question, and it will come as no surprise to the hon. member for Essex East that this should be so, because the Prime Minister and other members of the cabinet, as well as myself, when we were members of the opposition did express concern about what was regarded as the increasing and dangerous extent to which judges were being called upon to fill appointments to boards and commissions which took them into fields which were not strictly judicial and which, indeed, on occasion took them into fields where the results of their inquiries were bound to involve them, if not personally then as a result of their reports, in political controversy. We have felt, and we still feel, that this was a trend which was dangerous and one which should be halted, if not reversed.

Since assuming office as Minister of Justice I have, as I have already said, been engaged in a study concerning the extent to which judges are being called upon to serve in these various extrajudicial capacities, and I find that apart from what I might call the occasional appointment to a royal commission or something of that nature, which appointments are also of concern, there are a number of

what are accepted as almost standard or routine appointments of judges—and this applies particularly at county and district court levels—as chairmen of boards and commissions. These boards and commissions may be standing bodies set up under provincial legislation, or extemporaneous boards of conciliation and arbitration.

The hon. gentleman has mentioned some of these bodies. He also mentioned police commissions. I think there is a very real question as to whether a county court judge should serve as chairman of a police commission. I raise that question on the basis that the county court judge is going to be called upon on a number of occasions to try cases in which the charge has been laid by members of the police force appointed by the commission of which he is chairman. I go no further than that at the present time, but I certainly think that raises a serious question.

Then there are other types of boards and commissions, and I have in mind particularly conciliation and arbitration boards in industrial disputes. I recognize fully that in some provinces particularly—and I do not pick out any one province—it has become a standard practice for judges, particularly from county or district courts, to be named as chairmen of these boards.

As I have said, I have evidence that there are some cases in which judges find almost their major occupation as chairmen of these boards, so they are in receipt of their full salaries as judges yet are in receipt of very considerable extra emoluments which they derive by way of their temporary appointments as chairmen of these boards; whereas, as I say, in other cases where perhaps the full time of the judge is involved in his judicial duties, the time or the occasion is not available for such appointments, and this creates a disparity between the incomes of judges of our courts.

There is another consideration to which I am giving study, and that is this. I recognize that in those provinces where such appointments to boards of arbitration or conciliation have become almost an accepted practice it would be a disruption of labour conciliation procedures to lay down a sudden edict or ukase that this practice should cease because, I am informed, there would be areas in which there would then suddenly be no available machinery for the settlement of industrial disputes. However strongly I may feel as Minister of Justice about the desirability or otherwise of judges serving in this capacity, I cannot ignore the fact that this is an accepted practice and that therefore I have to approach the problem steadily and on a sound common sense basis.

[Mr. Fulton.]

However, having sounded these notes of caution which I realize I must apply in my study of this problem I do say that I think it is extremely undesirable, and a contradiction in principle, that a judge who is appointed as a member of the judiciary on the basis that he is impartial as between litigants should be called upon to perform a function which is not one of adjudging as between parties but is a function of conciliation as between parties; and here I draw particularly a distinction between a board of arbitration and a board of conciliation. In a board of arbitration I think it may well be arguable that a judge is performing at least a semi-judicial function. He hears the argument advanced by both sides and he arbitrates as between them, but in a board of conciliation I think the situation is entirely different. In those boards where the function of the conciliator is to act as an intermediary between the parties I find it difficult to appreciate that there is there any semblance of the judicial function, and I therefore question very closely, and have been led to question by the course of my studies, whether it is desirable that judges should continue to act as chairmen of boards of conciliation.

Having said that, I come back to the point I made at the beginning. I recognize that if I or anybody else, or the government as a whole, is to do anything about the situation we first have to reach conclusions and then we have to approach the matter on a common sense and realistic basis and so adjust our program that our conclusions are not carried into effect in such a manner that they will disrupt the whole procedure set up for the settlement of labour disputes. It is in that spirit that we are approaching a study of the program. Perhaps I should not go any farther than that at this time.

Mr. Martin (Essex East): Has the minister given consideration to this? While it resides with the federal authority to make most judicial appointments outside of the magistracy and some judges of a certain character and status in some provinces, under the constitution are the provinces not given authority in the matter of the constitution of the courts?

Mr. Fulton: Quite so.

Mr. Martin (Essex East): Would this decision in the final analysis not really involve a decision to be made by the provincial rather than the federal authority?

Mr. Fulton: I think there is an area in which the decision when arrived at must be a joint decision. There is, I believe, constitutional authority bestowed upon the federal government to limit the occupations and

the salaries of judges appointed by that authority. I also recognize that judges so appointed are officers or judges of the provincial courts.

I have in correspondence with at least one of the attorneys general indicated an approach to this matter which I think is worth following up. That we should try to reach agreement as to the type of function which, although a function which is not strictly judicial and not a part of his office as a member of the court as such, is none the less an appropriate function to call upon a judge to perform. We might reach agreement upon a basis something like this; that a quasi-judicial function, such as the function of arbitration, might be agreed to be desirable, but that those and other quasi-judicial functions which it is appropriate for judges to be called upon to perform should be recognized and defined by some provincial legislation. If the provincial legislature says that it becomes a function and a duty of a judge appointed to a provincial court to perform certain functions of the nature of a chairman of a board of arbitration, or such other function as the legislature of a province deliberately assigns to judges, then I think there would be no question, and I certainly would not be inclined to raise any question that, it is the right of the provincial legislature so to prescribe. What I would want to avoid is what we might call the assignment of temporary or casual functions to judges which are really not in any way of a judicial or quasi-judicial nature.

So the approach I have suggested in this correspondence is that we should study this in conjunction with the provinces and that we should agree upon the nature of the duties which judges may be called upon to perform, and that then those duties should be incorporated in a statute so there can be no question of the right of a province to call upon a judge to perform those functions which are authorized by the provincial legislature, and no possibility of the federal authority raising any question when a judge is called upon so to perform that function.

Mr. Crestohl: The minister has made a very sound statement on this principle which is certainly very vital, namely that of assigning functions to judges which are not strictly judicial. But we must recall the statement made by the hon. member who first raised this question. He felt that perhaps the stipends of judges were not what they should be. The minister then indicated that to some extent the stipend was augmented by the occasional opportunity which a judge has of presiding over a commission of some kind, for which he receives extra pay.

This would indicate that the basic pay of a judge requires some improvement. Therefore, whether he must seek it or whether it is gratefully accepted by him when he is named to head a commission and therefore augments his income, it is a serious matter to that judge. Whether he seeks the appointment or, as I have said, whether he is grateful for it, it becomes almost a necessity to him. Therefore I should like the minister to tell us whether there is some method, perhaps a rotating method or some system, by which the appointment of judges to head these commissions could be spread around.

I realize it is a difficult thing to do, because there are special qualifications for each particular appointment that a judge receives to sit as the head of a commission of some kind. Is there some special rotation system or some special consideration given when these appointments are made so there might be a wider spread amongst the judges who could look forward to their stipends being augmented?

I realize that this is a very difficult question to deal with. At the same time, I am sure the minister will realize that a situation exists under which some judges may never have an opportunity to augment their basic salary. I would like the minister to consider it. From his remarks I gather that the matter is receiving some very serious study by him. In order to eliminate some anxiety of some judges, or disappointments when they do not receive this extra income, perhaps the basic stipend should be such that they would not anxiously look forward to means of earning additional income.

Mr. Fulton: With the approach of the hon. member, particularly as he has just summarized it in his last statement, I entirely agree. I think it is an unfortunate matter if in fact judges are compelled to look to outside appointments, outside functions, outside duties, to supplement their incomes. I have already indicated that I think it is unfortunate, and in the study we are making I recognize that if we were eventually to arrive at a situation whereby such outside appointments would be discouraged or reduced to a minimum, then certainly in my view it would be necessary to make a substantial adjustment in the rates of judicial salaries as authorized and paid by the federal authority.

But you have here the question of the duties which the provinces feel they are entitled to call upon judges to perform and for which from time to time they pay them extra remuneration. I am not trying to magnify the size of my own job, but I simply say it is a very large task because there have crept into and almost been built into the judicial set-up in this country many of these

practices which have become accepted, and it is not easy to change them. I am glad to be able to say that at the last annual convention of the Canadian Bar Association in Toronto a committee was appointed under the chairmanship of Mr. Arthur Kelly—

Mr. Martin (Essex East): He is the president.

Mr. Fulton: I am sorry—at the urging of Mr. Arthur Kelly, then president, to study the whole question of the organization, function and remuneration of the judiciary. The committee is under the chairmanship of Mr. Arthur Pattillo. The committee is discussing this matter with the provinces and with myself and my department and I hope that from this study, in addition to the studies which we of the department are making, we shall eventually be able to emerge with a sensible program for revision of the Judges Act in all these respects, both with respect to the salaries and retirement allowances of judges and with respect to the circumstances under which judges may be called upon to accept extrajudicial functions.

Mr. Howard: I did not think, Mr. Chairman, that we were going to get at least partially into the field of labour-management negotiations and the relationships between unions and management, but inasmuch as the question has been raised I should like to express one or two thoughts with regard to a judge performing the function of chairman of either a conciliation board or an arbitration board.

May I say at the outset that generally speaking I agree with the comments of the Minister of Justice with respect to the functions of a judge in either of these positions. We feel generally that it is not too satisfactory for a judge to attempt to participate as a mediator at the conciliation stage of negotiations in an effort to get each side to give a little bit and reach some settlement.

But when a member of the judiciary or of the bar performs the function of chairman of an arbitration board, especially when that board is considering the question of interpreting a collective agreement, we find that we get much better and fairer decisions from a person with a legal or judicial background looking at the collective agreement and saying what the words in the agreement mean. We generally find also that it is not merely a question of looking at the words and saying what they mean but of tempering the opinion so far as the particular words are concerned with the experience the union and management have had over the years in developing the collective agreement and working out the particular phrases or words in the agreement.

I would suggest that in the discussions that are taking place the minister should exert his influence as much as he can to ensure that as far as possible judges stay out of the field of conciliation, where I do not think they serve any great purpose, and participate more in arbitration, especially so far as the interpretation of contracts is concerned.

Incidentally, in the interpretation of collective agreements union and management have found themselves in difficulty because the chairman of the arbitration board in some cases was not familiar with the law. The courts have set aside the decision of the board because the chairman made a bad decision in law, or did not allow the proceedings before the board to proceed as they normally would in a court, with each side having its day in court and able to engage in proper questioning and so on.

In an attempt to get away from having arbitration board decisions upset by courts of law because they are bad in law or for some other reason, I think we could allow judges to participate more in this field, especially with regard to interpreting contracts. We might thus be able to move toward the easing of labour-management difficulties and strife over these particular aspects of their relationships.

While I may refer to a labour court or a labour judge, I use these expressions only generally and do not want to be misinterpreted as meaning that every difficulty between union and management should end up in the hands of a judge. I certainly do not mean that, but generally speaking I do not think people would be averse to the appointment of additional judges whose function might be to deal with the question of collective agreements and to arbitrate on them.

If I may relate a case in point, I should like to refer to the late Chief Justice Gordon McGregor Sloan of the province of British Columbia. For many years Chief Justice Sloan's name actually appeared as arbitrator in the collective agreements between the international woodworkers of America on the west coast and the lumber operators. Some 30,000 to 35,000 employees and quite a number of companies were involved, and if the parties themselves could not resolve the interpretation of a collective agreement the matter ended up in the hands of Chief Justice Sloan who on the whole, I think, made decisions which were acceptable both to the union and management. In a particular instance they may not have been acceptable to one side or the other, but because he was schooled in the legal field and had spent so many years dealing with collective agreements between the lumber industry and the I.W.A. he had

developed a fairly sensible and reasonably operable collective agreement through his role of interpreting it in certain instances.

I think we could move in the direction of appointing additional judges one of whose functions would be to assist in arbitration, because so far as the interpretation of collective agreements is concerned we might then be better off with respect to labour-management negotiations and relations.

Mr. Hanbidge: Mr. Chairman, I do not wish to delay the minister for very long. I have already discussed this matter with him but I wish to have it on the record so that a friend of mine may be able to see that I have mentioned it to the minister. It has to do with retirement allowances. The minister was good enough to mention that he has the matter under consideration, and I believe a committee appointed by the Canadian Bar Association also has it under consideration. I am not going to ask the minister to commit himself or to make any firm promise, but I certainly would appreciate it, and I know at least one retired judge who would also, if the minister would make any provision retroactive if he does increase the retirement allowance.

Item agreed to.

153. Administration of justice in the Northwest Territories, including the Northwest Territories territorial court, $107,440.

Mr. Hardie: I do not intend to hold up the committee and go into the arguments I put before the house at the time the amendments to the Northwest Territories Act were considered on February 19 of this year. Those arguments were supported on February 24 by the hon. member for Peace River, a distinguished member of the bar. I simply wish to ask the minister if he has under consideration amendments to the Northwest Territories Act which would do away with the present concurrent jurisdiction of other courts in Canada over the territorial court, and deal with other suggestions I made at that time.

Mr. Fulton: Mr. Chairman, I can tell the hon. member that in the course of the trip I made through the district of Mackenzie just after the Easter recess with my deputy minister we took occasion to discuss with Mr. Justice Sissons, and with members of the bar in Yellowknife, the problem to which my hon. friend has referred. My deputy went on to the Yukon to discuss this same problem with Mr. Justice Parker who, until recently, was also a member of the bar of the Northwest Territories. There are, it seems to us, certain changes that might well be considered and it would be our hope that the next time the Northwest Territories Act is opened up we shall be able to bring forward recommendations in connection with this problem.

Mr. Hardie: I wonder if the minister could tell me who appoints the crown prosecutor for the territorial court?

Mr. Fulton: The crown prosecutor is appointed by and acts as agent of the attorney general of Canada, who is also attorney general of the Northwest Territories.

Mr. Hardie: Will this crown prosecutor prosecute cases under the territorial ordinances such as the liquor ordinance?

Mr. Fulton: Yes, that is correct.

Mr. Hardie: Would the minister consider it normal that the crown prosecutor should also sit in the legislative body drafting legislation for the territory and still act as prosecutor in the territorial court?

Mr. Fulton: I believe that is a hypothetical question, because I do not believe there is any such situation at the moment.

Mr. Hardie: Just to refresh the minister's memory I may say that a few years ago the crown prosecutor in the Northwest Territories, who was appointed by the minister of justice at the time, ran for the council of the Northwest Territories and was elected. He then sat in the legislature of that territory passing on the liquor ordinances and also prosecuting cases under that ordinance.

In 1955, I think it was, an order in council was passed dealing with qualifications of candidates for the council. Section 5 of this order in council, subsection (1) (e) reads as follows:

> Every person holding the office of sheriff, registrar of land titles office, clerk of the peace or crown attorney during the time he is holding such office—

Shall not be eligible to sit as a member of the council. Then, in 1957, shortly after the present minister took office, an order in council was passed changing this provision, and doing exactly what the minister agrees would not be fair or right—

Mr. Fulton: I have not agreed at all.

Mr. Hardie: —that no man should sit in the legislature—

Mr. Fulton: No, wait a moment; the hon. member is putting words in my mouth. I said it was hypothetical because no such situation exists at this time.

Mr. Hardie: I shall continue. After the minister took office, or at least after his government took office, a further order in council was passed dated September 13, 1957 which amended the former order in council by eliminating the words "crown attorney". This

was the only change that was made, the elimination of the crown attorney from those who were not eligible to sit in the territorial council.

I should like to ask the minister, is it normal for one who has the appointment as crown prosecutor to hold executive office in a political organization?

Mr. Fulton: I am sorry, I did not hear the last part of the hon. gentleman's question.

Mr. Hardie: Is it normal practice to appoint as crown prosecutors those who hold executive office in a political party or organization?

Mr. Fulton: Perhaps I had better deal with these questions one by one. Let us deal with the situation of the crown prosecutor in the Northwest Territories. At the instance of my hon. friend, the hon. member for Mackenzie River who has just finished speaking, an order in council was passed by the former government making it impossible for Mr. John Parker to act as crown prosecutor while he was a member of the territorial council. My hon. friend knows that very well because it was at his insistence, his urging, that the order in council was passed.

Mr. Hardie: The only fair thing to do.

Mr. Fulton: The result of that action was to deprive the crown of the best qualified crown prosecutor in the Northwest Territories.

Mr. Pickersgill: He did not have to sit in the council.

Mr. Fulton: We found there was no person as well qualified as Mr. Parker to do this work. I want to refer to what the hon. member for Bonavista-Twillingate has said. He said he did not need to sit in the council. Of course, he did not need to but the people of the territories wanted him to do so. I realize that my hon. friend, contrary to his usual disguise, does not really believe in the will of the people—

Mr. Pickersgill: The hon. gentleman is not going to put words in my mouth.

Mr. Fulton: He implies directly that—

Mr. Pickersgill: The minister interrupted the hon. member for Mackenzie River because he said he would not let the hon. member put words in his mouth.

Mr. Fulton: I think I have the floor.

The Deputy Chairman: Order. I should like the two hon. members to take their seats.

Mr. Pickersgill: When the Minister of Justice resumes his seat, I shall do the same.

[Mr. Hardie.]

The Deputy Chairman: Will the hon. members take their seats? I understand that the hon. member for Bonavista-Twillingate has a point of order, am I right?

Mr. Pickersgill: A question of privilege.

The Deputy Chairman: May I hear it?

Mr. Pickersgill: The question of privilege is that the minister—I do not say wilfully or deliberately because that would be unparliamentary—was completely misrepresenting what I said. I said there was no need for this gentleman to continue to sit in the council, and I implied by saying that if he wanted to go on being crown prosecutor. I used to be a civil servant and when I wanted to be a member of parliament I ceased to be a civil servant.

The Deputy Chairman: Order; I think this is a question of opinion.

Mr. Fulton: In any event, the fact is the people of the Northwest Territories wanted Mr. John Parker to sit in the council and elected him. As a result of the order in council passed by the previous administration shortly before they were dismissed from office by the people of Canada it was impossible for Mr. John Parker to continue to act as crown prosecutor.

As I say, when we took office we found that the office of crown prosecutor in the Northwest Territories required the services of the best qualified barrister that we could get and we, accordingly, rescinded the order in council. As a measure of our confidence in Mr. John Parker, I might point out to you and the hon. member for the area—

Mr. Hardie: Political confidence.

Mr. Fulton: —who has just spoken, that we have since appointed Mr. Parker a judge of the territorial court of the Yukon Territory where he is doing an outstanding and magnificent job with the general support of all the bar of the Yukon Territory. I believe, therefore, that disposes of the question raised by my hon. friend. There is at the present time no crown prosecutor in the Northwest Territories who is a member of the legislative council.

Mr. Hardie: I do not think that answers the question, in any event.

Mr. Fulton: By way of additional information, I may tell my hon. friend that it has been for many years the practice, and still is in many provinces of Canada, for the attorneys general, who are members of the government and elected members of the legislature, to go into court and prosecute cases in the courts of the provinces. Indeed, one of the attorneys general of one of our provinces took

a case in the Supreme Court of Canada just recently in the interests of his province. It is the practice still in the United Kingdom for the attorney general of that country to go into court and prosecute cases in the courts of the United Kingdom. I feel, therefore, that the general conclusion my hon. friend is trying to draw is entirely unwarranted by the circumstances.

Mr. Hardie: I just wonder if I could ask if the attorney general acted as political agent of some political candidate or some political party?

Mr. Fulton: My hon. friend, with his broad political experience, would probably be better able to answer that question than I am.

Item agreed to.

Combines Investigation Act—

156. Restrictive trade practices commission, $86,110.

Mr. Howard: I have a couple of questions with respect to this particular vote, Mr. Chairman. I wonder whether it might be acceptable to the committee if we followed somewhat the same practice that we followed in the last session, in considering vote 156 and at the same time making some reference to the office of investigation and research under this branch set out in vote 157, because the two of them are interconnected to a degree.

Mr. Fulton: Yes.

The Deputy Chairman: Is the committee agreeable to that procedure?

Some hon. Members: Agreed.

Mr. Howard: I wonder whether, preceding any formal comments on the item, I might inquire of the minister at this time what he is able to report in so far as the report of the restrictive trade practices commission is concerned with regard to the sugar industry in western Canada. From the last inquiry I made about this matter I understood that the question had been referred to a lawyer—I forget his name; I believe it was Meighen of Brandon, Manitoba—with instructions to proceed to prosecute and that if he found in the course of preparing this case that the circumstances and the facts did not warrant prosecution, he was not to proceed. I wonder whether the minister could bring us up to date on what is going on in that particular case.

Mr. Fulton: Counsel appointed has been in consultation with the department over quite an extensive period. I am under some disadvantage here because I am not sure the companies concerned have been advised of the present position. Before announcing a decision which affects them I rather feel that I should ensure that they themselves know what the situation is. Would the hon. gentleman perhaps give me time enough to ascertain what is the position with respect to our having given advice to the companies concerned?

Mr. Howard: May I ask the minister whether he means to spend a few moments now trying to ascertain that matter or at some later date? I do not want to take up the time of the committee now if it is going to take a few moments time to find that out. But if it can be done and the house can be advised at a later date, perhaps on the orders of the day by question or something of that nature, that procedure would be perfectly satisfactory.

Mr. Fulton: I am advised that I have already said in the house, either explicitly or impliedly, that prosecution has been authorized in this case. Since that time there have been consultations as to the form of indictment and that is being worked out and either has been laid or will be laid shortly.

Mr. Howard: I have just one or two comments beyond that. One has to do with what appears to be an exceptionally long period of time that elapses by the procedures set out under the Combines Investigation Act before proceeding to a final conclusion. In many cases some length of time appears to elapse in the initial investigation. I suppose this is quite correct, because in investigating such charges as the operation of a combine, price fixing arrangements and so on, certainly it is desirable to have all the information that can be obtained; and there is no objection to the length of time it takes to get that particular information and to complete the investigation.

The next step makes me wonder whether or not there is sufficient staff in the branch to deal with the question. I refer to the period of time which elapses after the completing of the investigation conducted by the office of the director of investigation and research, between the time that investigation ceases and the time the statement of evidence is submitted to the parties involved. I have in mind particularly one that was completed just recently, notably that involving the question of the sale of raw fish in British Columbia. I understand that the statement of evidence was mailed just within the last month to the parties concerned; yet the whole process of investigation started and apparently was completed some time ago. An inordinately long period of time appears to have elapsed between the conclusion of the investigation itself and the mailing or the completion of the statement of evidence to the parties concerned.

Following the report of the restrictive trade practices commission into any particular case, which normally does not take too long, and following upon receipt by the minister of the report, again an exceptionally long period appears to elapse between the filing of the report or the making public of it and the decision or action taken with regard to prosecution. This sugar case to which I refer is a case in point.

I have here the report of the restrictive trade practices commission dated January 7, 1957. That is the date of the transmission of the report from the restrictive trade practices commission to the then minister of justice. It is now over two years later. I can appreciate the fact that there were some political activities during two of the years intervening, namely two elections that may have upset things. Almost two and a half years have elapsed between the completion of the report of the restrictive trade practices commission in the sugar case and we have just about reached the stage, as I gather it, where prosecution will be entered into in court. That appears to be a period of over two and a half years, an exceptionally long period of time to consider the report itself and to consider whether or not there are sufficient grounds to prosecute. In the normal cases that we hear of, apart from the delays that take place once the case comes into court, which is another matter again, there appears to be quite a lapse of time, unnecessarily so, between when the investigations are completed by the director of investigation research and his staff and the time when the final decision is made as to whether to prosecute or not.

We had the same discussions during the last session on these same estimates about an additional two competitions that were being engaged in then for additional staff members. I should like to know whether those two positions have been filled and the competitions completed and whether the minister feels there is sufficient staff, in view of the long period of time that elapses in these cases, properly to cope with all the problems arising. We shall have some opportunity at a later stage in the house to discuss and debate the actual combines investigation legislation itself because there is an amendment to the Combines Investigation Act and to those applicable sections of the Criminal Code which will give us an opportunity to deal with the legislative angle of this matter.

However, there is one question which I think should be dealt with by the branch and one which may have been given some thought and consideration but certainly it has not been delved into to any extent, to my knowledge since 1945. I refer to the effect upon our Canadian economy and Canadian companies of the operation of so-called international cartels. Without referring to the record I believe that in 1945 under the instance of the then minister of labour there was an inquiry into the nature and effect of international cartels, so-called, and trade combinations in so far as Canada was concerned. The report goes extensively into a number of items and mentions that Canada like other countries was detrimentally affected by the operation of these so-called international cartels.

The report of 1945 gives examples of the participation of Canadian companies in certain types of cartels and the effect of cartels upon Canada and the prices Canadians are charged for goods and so on.

I wish to refer to some of the materials and commodities covered in this report to give the committee some appreciation of those products in respect of which Canadians were at the mercy of cartels in 1945. The report mentions, among other things, fertilizers including potash, nitrogen and phosphorus; tanning materials, quebraco flat glass, sulphur, dyestuffs, tools, magnesia refractories, titanium pigments, chemicals, soda ash, electric lamps, radio tubes and sets, matches, base metals including copper, lead, zinc, and nickel; steel, aluminum, acetic acid, radium and newsprint. The report points out that in one way or another Canada was at the mercy of corporations which operated outside of the boundaries of the nation with respect to these commodities.

I know, for instance, that the aluminum cartel has been in operation in the world for the past 50 years. The world was carved up into markets. Certain prices were charged and arrangements were made between certain companies under which they would not sell their commodities in markets that had been allocated to other companies. The same situation has obtained in respect of other products as well, some of which I have listed in the brief running account I just gave.

It would appear in view of Canada's present status in terms of industrial production that the time is long past due when we should undertake a study similar in nature to that conducted in 1945 in an effort to determine the effect upon our economy of these so-called international cartels. I should not care to go into detail concerning the work involved in the investigation or how it should be conducted but certainly the terms of reference of the 1945 report would serve as a basis for a further study.

Mr. Fulton: Mr. Chairman, the hon. member for Skeena has raised some questions which I think are important in themselves and certainly deserve an answer. I should like to make a brief statement as to the work of the combines branch generally.

The combines branch of the Department of Justice had a year, upon the whole, of increased activity in 1958-59. Since the work of the branch cannot, by its very nature, flow evenly, statistics tend sometimes not to be too revealing of the tempo of the branch from one year to another. However, the number of formal reports made and published during the year was five as compared with two the year before. The number of files opened on receipt of complaints was 126 compared with 77 the year before. Many of these complaints required little attention but the figures do have usefulness as a partial index for comparative purposes. These numbers do not include a large number of complaints relating to loss-leader selling, because the latter are hard to classify for statistical purposes. The number of investigations disposed of by preliminary reports during the year was ten compared with three the year before. The number of formal investigations of possible contraventions in progress at the end of the year was thirty-one compared with thirty at the end of the previous fiscal year. The number of investigation officers on the staff of the director of investigation and research at the end of the fiscal year was seventeen compared with sixteen the year before, and steps are now being taken to increase such staff substantially.

It is in the light of that review that I should like to refer to the specific questions asked by the hon. member for Skeena as to these delays that do take place between the time of the commencement of an investigation and the launching of a prosecution. My hon. friend referred particularly to the sugar case and to the fish inquiry. I do not for a moment attempt to deny that there is a substantial delay but I believe I am on sound ground in saying that it would be impossible to produce a system under which there would be no delay. We perhaps could shorten the delay and certainly we try constantly to keep it down to the minimum but in the light of the extremely complicated nature of these cases and indeed in the light of the exhaustive procedure of inquiry called for under the act itself, I do not think you could expect, at least in any important combines or merger case to get the matter brought before the courts without the lapse of a substantial period of time between the first inquiry and the actual opening of the case.

There has first of all to be an investigation by the director. In the course of that investigation, contrary to what I sometimes hear from business people, the director does his best to accommodate himself to the legitimate requirements of the company or companies concerned and if it is not convenient to them and can be shown to be genuinely inconvenient then he will at their request delay the inquiry until a time convenient to them.

Let us take the fish case where you had a number of parties involved including the union itself. In this case the convenience of the parties had to be considered in relation to the timing of the fishing season and indeed it was at the request of the parties, including the union, that on one occasion for a period of months the inquiry by the director was adjourned.

Let me illustrate this by reference to the sugar case. Here you had a tremendous number of exhibits that had to be looked at by the director and then the director had to make his report on the basis of the inquiry that he had made. There then had to be a hearing by the commission itself. The hearing by the commission necessarily takes a considerable time because of the amount of economic evidence which it is now the practice to take before the commission. My hon. friend will remember that there was an election intervening between the initial report of the commission and the assumption of office by this government. But in the meantime counsel had been instructed to prepare an opinion as to whether or not there was a prime facie case disclosed. He so reported.

It was at that stage that we took office. I was faced immediately with a request from the parties concerned to be given the opportunity to come down and make further representations. Under the circumstances I felt it was only proper that I should do so. Those representations had to be arranged for and the parties had to come from Vancouver and Winnipeg along with their counsel. Following the oral representations, at their request time was given for the submission of written representations and written arguments. All that had to be taken care of before, once again, I was in a position to feel that as the new minister, I had all the relevant facts and considerations before me upon the basis of which I could make a tentative conclusion.

My hon. friend will recall that instead of asking another counsel to give another opinion on the basis of these further representations I decided to save time by adopting a rather different formula. Instead of asking counsel merely for an opinion we referred the case to

counsel for prosecution unless in the course of preparing the case he should come to the conclusion that prosecution was not warranted. By that form of instruction I believe we avoided a further delay that would otherwise have taken place.

Since that time counsel has, I assure my hon. friend, been as busy as a busy counsel can be in the preparation of this particular case. I also ask my hon. friend to realize that when you select counsel who are qualified to conduct a case of this kind you are naturally confined to counsel who are in the nature of things extremely busy men. They then have to accommodate their own affairs to the case that we ask them to undertake. We cannot expect them to drop everything else to take a particular case.

I recognize that there has been a substantial length of time intervening between the commencement of the inquiry—indeed the delivery of the report—and the preparation of the case and the bringing of it before the courts but I do not think in a case as complicated as this with as many issues involved, with the parties as widespread as they are, where the convenience of the parties themselves has also to be properly met, you could expect very much by way of lesser delay. But it is a matter with which we are concerned and indeed which we are constantly studying with a view to eliminating the delays to the extent that may be possible.

My hon. friend also asked me about the staff. At the present time we have on the establishment three vacancies. I find that the combines branch is in the same position here as the department generally, in a position which is peculiar, shall I say, to a professional department. We have to recruit lawyers and we find it very difficult to keep our establishment up to strength. As my hon. friend will appreciate there is constant pressure of competition from firms in private practice. At the moment we have three vacancies on the present establishment in the combines branch. It has been decided to make a submission for a further increase of two legal officers or investigating officers in the department and if certain of the amendments I now have in contemplation go through we will be asking for an additional three on top of that. If that should take place we will be expecting an increase in staff of eight investigating officers.

With respect to the matter of international cartels referred to toward the end of the remarks of my hon. friend, it may be of interest to hon. members to know that a senior lawyer in the combines branch, Mr. J. J. Quinlan, is presently in Geneva taking part in the work of a group of experts appointed under the general agreement on tariffs and trade to study the possibility of international control of cartels by GATT members. This is the third of such international studies. Whether or not anything may come of these studies, it is of course impossible yet to say, but the participation of Canada indicates the continuing interest of this government in the control of private restrictions upon trade both at home and abroad.

Mr. Howard: Mr. Chairman, may I ask if a report of this study will be made public so that we may have it before us?

In response to the minister's remarks may I say that I fully appreciate that it takes some time to consider the evidence and exhibits and prepare a report. The minister will understand that I was not complaining about the length of time it took the director of investigation and research to conduct his studies. He will recall that I said as much time as is needed should be devoted to this in order to ensure the fullest possible investigation.

The minister mentioned the length of the hearings. I am of the opinion that the hearings are short ranging in duration between one or two days to a week. The commission in the sugar hearing sat only seven days to hear evidence. The commission in the zinc oxide case which has recently been made available sat only two days. The recent hearings in the ammunition case lasted only four days. The report of the rubber gloves and surgical supplies case released probably just a few days ago indicates that the commission sat only two days. It would appear that the commission does not require much time for its formal hearings during which it listens to representations and arguments and I can appreciate that a greater length of time would be required in the consideration of evidence and the preparation of reports.

I was concerned about the length of time that elapses between the commencement of the investigation and the time the case reaches the courts. I made reference to the sugar case. It has been under fire for 2½ years and it still has not reached the courts.

There is one other point I should like to take up with the minister. Apparently, in all of these cases private counsel are retained in the prosecutions. I wonder why this is so. Why should we retain private counsel to consider and deal with these things and proceed to prosecution in the courts? Why can we not have the Minister of Justice himself handle these cases? He has indicated this is what happens in the United Kingdom. He has also indicated that the attorney general of a province took part in

a prosecution recently. Why can we not have the Minister of Justice, who is a member of the bar, conduct the prosecution of those cases in the court? Is there some specific reason why we must retain counsel outside of the government service to prosecute? Why can we not use the services of our very capable and excellent attorneys who are already in the department, not excluding the minister himself?

Mr. Fulton: Mr. Chairman, I want to assure the hon. member and the committee that I appreciate his last generous reference. There is, however, some question as to the propriety of the Attorney General of Canada appearing on behalf of the crown before the courts, many of whose judges will have been appointed on his recommendation. Apart from that, however, it is the policy of the department, with which I must say I am in agreement, that rather than seek to maintain a large staff of officers who may be available to go into court at any time, it is the more efficient and more economical approach to rely upon counsel in private practice, whom we retain from time to time as the need arises. I am sure the committee will appreciate that if we were to employ and maintain in the department sufficient counsel so that we could at all times, as a department be in charge of the conduct of all of our litigation, we would have to maintain a staff of such numbers to take care of the peak load of litigation and at other times there would be a number of the departmental officers who would not be engaged at all because the volume of litigation does vary from time to time. Therefore, it has been the experience that we are better served and at less expense by employing outside counsel for cases such as these combines cases particularly, big and complicated involving lengthy examination of documents and exhibits.

With regard to the point made by the hon. member for Skeena that the actual hearings of the commission appear to occupy only a few days, I wonder whether I am not correct in assuming that the instances he has referred to are those occasions upon which the commission met to hear final argument? Certainly, that is my impression from hearing what he said. What happens before the time of a report by the director and the final report of the commission is that the commission holds a number of hearings at which it hears evidence, which may be held at various places and at various times. Then, there is a date set for the final hearing, at which all the parties may be represented to advance their final argument on the basis of the evidence that has so far been adduced. It is my impression, on the basis of what the hon. member said, that he was referring to those final hearings for the purpose of listening to the argument of counsel.

Mr. Howard: If I may clear up one point, that may well be, but I do not read that from the reproduction of the letter in the sugar case. The letter is dated January 7, 1957, and is addressed to the Hon. Stuart S. Garson, Q.C., and is signed by C. Rhodes Smith, chairman of the commission. It says:

> I have the honour to submit to you herewith the report of the restrictive trade practices commission dealing with the sugar industry in western Canada—

And so on. Then he says:

> Evidence and argument in regard to the statement of evidence were heard by the commission at Winnipeg, Manitoba, between August 20 and 27, 1956.

It may well be that they had meetings or hearings before this, but it does say "evidence and argument". I looked quickly through the other three reports I have and I found that they were in the same terminology.

Mr. Fulton: I am told that in this particular case there were no other hearings; but in the ordinary case there are long periods occupied by the taking of evidence from time to time at various places. In the sugar case it did go direct to final argument.

Mr. Howard: In the three other cases to which I referred the wording is precisely the same. Evidence and argument were heard on certain dates.

Mr. Fulton: I am told that sugar was an exception. In those other cases there were occasions when evidence was taken at times other than the final hearing.

Mr. Crestohl: I should like to refer to item 157. Since we now have before us a bill which seeks to amend the Combines Investigation Act, does the estimate of expenditures which is indicated here for the year 1959-60 contemplate or include the expenditures which may be involved when the bill passes, if it does?

Mr. Fulton: Mr. Chairman, if there are any additional expenses necessary they, of course, will have to be taken care of by way of final supplementaries because they are not reflected in those estimates or in the main supplementaries. I think I have already indicated in the committee that the only respect in which we anticipate the bill will involve increased expenditure, at least so far as our own staff is concerned, is with respect to the clause dealing with misleading advertisements in which case we do expect to have to employ a small number of additional officers to police that provision.

Mr. Crestohl: When the minister speaks of additional officers does he refer to the estimate of the additional solicitors he said he would require?

Mr. Fulton: No. In any event, we have three vacancies on the present establishment. We have come to the conclusion that we will, whether the amendments now before the house pass or not, require two additional officers. If the amendments do pass, we think we would require a maximum at the present time of three additional officers on top of that.

Mr. Crestohl: Can the minister tell us whether the vacancy on the commission has already been filled or when it is expected it will be filled?

Mr. Fulton: No, the vacancy has not been filled and has not been filled for the reason that I have been waiting, first of all, to complete my study of the act and make my recommendations to the house as to the amendments that should be made. I would expect that, shortly after the amendments go through, because they do involve the assumption by the commission of additional responsibilities by way of report, I will be making the appointment to the vacancy on the commission.

Item agreed to.

158. Bankruptcy Act administration, $52,620.

Mr. Aiken: There is one matter I should like to bring up on this item, Mr. Chairman. For several months now hon. members have been receiving voluminous letters concerning a certain bankruptcy matter in the city of Vancouver. They are being brought to our attention by one Samuel Morris, and a good many of those letters have been received. The author of the letters seems to feel that he has been badly mishandled and wronged in the courts of the country, and he goes so far as to allege fraud against certain individuals in connection with the bankruptcy. He names persons by name and he makes very strong allegations about them. What strikes me is that if there is no substance to his allegations he may be subject to very serious charges of criminal libel or something of that nature, but so far as I know up to this time no one has objected to the allegations he has made.

Mr. Crestohl: Has he brought charges?

Mr. Aiken: As far as I know he has not. Can the minister tell the house whether his department has taken any action in this matter or whether he intends to? The correspondence is very voluminous. It is difficult to sort out and really find out what the man is getting at without actually having the facts. It is for that reason that I bring it to the attention of the minister, to see if he has any comment to make and to see if there is anything that is worthy of the attention of the minister under this vote.

Mr. Fulton: Mr. Chairman, I do not have the details in front of me but my recollection is fairly clear that this was a case in which there was an allegation of fraud in connection with a bankruptcy prosecution. Our investigation of the nature of the allegation satified us that there was nothing here that we could see that brought the matter under federal jurisdiction. The indication was rather that the question of action to be taken by governmental authority was one for the decision of the provincial government. Accordingly we referred the matter to the attorney general of British Columbia and I received an answer from him which indicated that he was causing an inquiry to be made. Since the first reference I have received further correspondence both on behalf of Mr. Morris and from others who were interested in his case and in each instance I have referred the additional correspondence to the attorney general of British Columbia. My present information is that he is still investigating the matter to see whether any and, if so, what action should be taken at the provincial level.

Mr. Aiken: My recollection of the correspondence is that the law society of British Columbia was also mentioned and that the conduct of a solicitor was brought into question. I am wondering whether this has been brought to the attention of the law society of British Columbia.

Mr. Fulton: I would imagine that the attorney general of the province would refer any matter involving the disciplining of a solicitor in British Columbia to the treasurer of the law society for such appropriate action as would be indicated. In any event, that would be a matter to be dealt with by the disciplinary body of the British Columbia law society.

Mr. Martin (Essex East): Does the increase in this vote reflect an increase in the number of bankruptcies? Without too much research, can the minister readily give us the statistics on bankcruptcies for the fiscal year?

Mr. Fulton: The increase in the vote is $1,487 made up of $687 on account of salaries, $500 on account of travelling expenses and $300 on account of office stationery, supplies and equipment for the Bankruptcy Act administration. With respect to the number of bankruptcies, my hon. friend asked for a comparison between the last fiscal year and the year before?

Mr. Martin (Essex East): Just for the last fiscal year. Are they up or down?

Mr. Fulton: I understand we go by the calendar year. There was a total of 3,218 bankruptcies reported to the branch in 1958.

Mr. Martin (Essex East): That is an increase over the previous calendar year?

Mr. Fulton: It is actuallly a decrease from 3,486.

Item agreed to.

B—Penitentiaries—

159. Administration of the office of the commissioner of penitentiaries, including $75,000 for grants to recognized prisoners' aid societies, as may be approved by the treasury board, $572,678.

Mr. Roberge: This item has to do with penitentiaries. On item 150 the minister said that he would take advantage of this item to answer the first question put by the hon. member for Hochelaga. I would not press that point but I should like to say this. The Fauteux report made a certain number of recommendations with regard to the general reform of penal institutions. I noted also that last October the attorneys general of the provinces met in Ottawa with the Minister of Justice to discuss at least one or possibly several aspects of these reforms. I should like the minister to bring the committee up to date as to how far advanced these reforms are, what has been done so far and what is contemplated to be done during the coming fiscal year?

Mr. Fulton: Mr. Chairman, in answer to the question asked by the hon. member for Hochelaga last night and the expanded question just put to me by the hon. member for Megantic, I should first remind the committee, of course, that one of the main recommendations of the Fauteux committee has in fact been implemented completely by the establishment of a national parole board. A Parole Act was passed at the 1958 session of parliament and was proclaimed on February 15, 1959, and the national parole board, composed of a chairman and three members, took over the granting of parole as of that date.

The complete staff of the former remission service of the Department of Justice, with the exception of the former director and his secretary, was transferred to the staff of the parole board. The former remission service had six regional offices, at Moncton, Montreal, Kingston, Toronto, Winnipeg and Vancouver. It is proposed to add three new regional offices this year at Quebec, Prince Albert and Edmonton. In addition there are to be ten persons added to the staff of the field offices, six of whom will be for the new offices and four will be additions to the existing offices. There will be ten persons added to the staff at headquarters in Ottawa to take care of the increased work. These include one parole officer, one principal clerk and eight clerks and stenographers.

One of the reasons for these increases in staff, it will of course be obvious, is the opening of new regional offices and the extra work which will come from those offices. Another reason for the increase in the staff, and a very important reason which I am sure the committee will agree fully justifies the increase, lies in the fact that the parole board will automatically review all sentences of two years and over without any application from the inmate. This was a very important and fundamental recommendation of the committee and one which we have accepted fully. I have some preliminary figures on the numbers of files reviewed. From January 1 to May 31 this year there were a total of 596 paroles granted. Parole certificates were granted in 32.6 per cent of the applications received. In 1958 the percentage of favourable grants was 25.6 and in 1957 it was 30.4 as at this time of the year.

As the facilities of the institutions and in the field offices for obtaining reports are increased it is expected that more paroles will be granted and that the board should be able to obtain the various reports earlier than has been the case in the past. The board has taken steps to have the regional officers do more extensive briefing of the inmates in the various institutions with respect to parole.

With respect to the other particulars of the implementation of the Fauteux committee recommendations, I must refer the committee in general to the appointment of the correctional planning committee and the studies which that committee has undertaken. I placed on the record last year a summary of the terms of reference of the committee showing the specific subjects which were committed to the committee for investigation and report. The committee has in the interim visited a number of countries outside of Canada, including a visit to the director of the bureau of prisons at Washington, Mr. Bennett; visits to other specific institutions in the central and eastern part of the United States; and as well an inspection tour overseas to the United Kingdom where they inspected a number of penal institutions.

Then, individual members of the committee studied the penal systems in Scandinavia, France, Holland and Belgium. Following the trip to the United Kingdom and Europe the committee returned to Canada and in the interim has studied the situation in the maritimes, Quebec and Ontario. After they returned from overseas they went to western Canada where they attended the

meeting of the Canadian congress of correction in Vancouver. Then the committee proceeded to California, where they made a detailed examination of the penal institutions in that state. Then individual members proceeded to various other institutions in the western United States.

They have now returned to Canada and have completed a study of the situation in British Columbia, Alberta and I believe are now in Saskatchewan. They will then proceed to Manitoba and return to Ottawa. This concludes their travels and their studies, both within and outside of Canada. From this time forward they will be preparing their report. I expect to receive a number of interim recommendations and the final report by the end of this year.

Mr. Martin (Essex East): Did the committee go to Lansing, and Jackson, Michigan?

Mr. Fulton: So far as we know they have not been to those points.

With respect to the actual changes in the institutions themselves, I may say they are closely related to the Fauteux committee report and the studies we have been making. The commissioner of penitentiaries and his staff have instituted a number of experimental changes. I refer particularly to the opening of a new institution—perhaps I should not call it a new institution—what we term satellite institutions at William Head, British Columbia, and Valleyfield, Quebec. It is true that, in part, the decision to open these institutions was dictated by the fact that our present institutions in British Columbia and at St. Vincent de Paul—indeed everywhere else in Canada with the possible exception of Manitoba—are seriously overcrowded. Nevertheless, we felt that we should combine the necessity for relieving the overcrowding with which we are faced with the opportunity to establish some institutions on an experimental basis.

Both William Head and Valleyfield are new types of penitentiaries altogether. They are both what we might call open institutions. The experiment is succeeding remarkably well. They are small institutions now, what you might call overflow institutions, and both accommodate about 100 prisoners. In addition, we have taken a decision to open a new institution in the maritimes in the Springhill area. I announced, I think last March, that a site had been selected in the general area of Springhill. My hon. friend from Cumberland has been pressing me to make an announcement of the details as to the site, and I am sure that he and members of the committee generally will be interested to know we are now in the process of acquiring options for property near Springhill. We expect that these negotiations will be completed shortly. I shall be able, then, to make an announcement of the exact location where the institution is to be established.

In addition, I should say that generally we have continued our staff training program within the penitentiaries branch. We have taken steps, with the approval of treasury board, for the establishment of an expanded program of inservice staff training at the various institutions across Canada.

I think that is a fairly general summary of the approaches we are making toward the implementation of the Fauteux committee report. We are consciously and deliberately avoiding stepping out too rapidly until we get the final report of the correctional planning committee. It would be, I feel, very unwise, and an unfortunate thing, if we committed ourselves to expansion or experimental programs in certain directions which might have to be modified when we receive this report. Then we would find we had committed the public to considerable expenditure to do what we had done and then, when we got the final report, we might have to undo it. The final decisions on the program must therefore await the committee's final recommendations and the government's decision on them.

Mr. Roberge: I wish to thank the minister for giving as complete a summary as possible. This was very interesting to us, and we do agree with him that this is a long range affair and that it takes time to implement the recommendations of the Fauteux report.

I believe the minister overlooked one part of the remarks I made. I made a reference to the conference that was held in October between the attorneys general of the provinces and the Minister of Justice. If I remember correctly there was a question of whether or not those Canadians who received sentences under one year would be committed to penitentiaries instead of common jail. Is there any further comment the minister might make on that?

Mr. Fulton: No, not at the present time, Mr. Chairman. The recommendation of the Fauteux committee was that all persons serving sentences of six months and over should be the responsibility of the federal penal system. We accepted that recommendation in principle but it was our view and still is our view, expressed to the attorneys general at the time, that if the federal penal system becomes one in which the emphasis is placed on reform, it would not be sensible for us to accept prisoners who have only been sentenced to terms of six months. When you get automatic remission, time off for good behaviour and so on at

one end, and when you take into consideration the length of time that must be taken for the admission and classification process at the other end, it means that out of a sentence of even 12 months you would only have some 8 or 9 months to spend in effective training and rehabilitation. We therefore stated that in our view we should only accept prisoners sentenced to terms of 12 months or more.

In order to implement the provision we have said we would recommend in due course a program to be worked out to the effect that sentences under federal statutes of between six months and one year should be eliminated. If that is done, it means that those sentenced under federal statutes with respect to whom the magistrates or judges think that the requirement is one of exemplary punishment or anything of that nature —and when I say "exemplary" I mean in the sense of some retribution for their wrongdoing but not a long prison term—will be sentenced to terms of six months or less. With respect to those whom the magistrates or judges feel that the requirement is for training, reformation and rehabilitation, they will be sentenced to terms of one year or more and will be sent to federal training and reformation institutions. That is the theory behind the proposal.

Mr. Roberge: I have just one further question on that item. Did all the provinces agree so far?

Mr. Fulton: Yes, all provinces have agreed, although no province was prepared to take responsiiblity for that recommendation. I want to make that point clear. Several of them said they felt some reservations with regard to the proposal, but they raised no objection. They said, "If you as a federal department are prepared to go ahead and put it into effect we will not quarrel with it but we are not urging it nor are we accepting responsibility for the recommendation".

Mr. Coates: I was pleased to hear, in answer to the hon. member who preceded me, the statement of the minister with regard to the location of the federal penal institution in the Springhill area and to learn that options are now being obtained on property at or near Springhill.

First of all I should like to express to the minister not only my gratitude but that of the people of Springhill and of the people of Cumberland county for his announcement of March 5 in the house when he stated that Springhill or the Springhill area would be chosen as the site for the new federal penal institution for the Atlantic provinces. I should also like to express gratitude for the attention he has paid to the location of this specific institution. He not only had his officials in the area at a very early date but he himself did us the great honour of personally visiting the area and looking over the proposed sites. In that way he was able to appreciate the merit of each of the sites proposed by his officials and was able to take into consideration all of the facts surrounding the location of the institution in that area.

May I also thank him for his early decision to go forward with the work on this institution, at least in a preliminary manner, even though, as he has just stated, the correctional planning committee have not yet made their final report to him on their findings with regard to this matter. This shows the keen interest the minister has had in the people of Springhill, in the light of the unfortunate disaster which occurred there last October as well as the previous disasters that have struck this unfortunate town.

May I ask the minister whether it is possible at the present time for him to enlarge on the type of institution that will be located at or near Springhill or whether he is able at this time definitely to name the site. He might not be able to do this if his officials have not obtained options on the land. Could he also say when he expects work will go forward on the construction of the buildings necessary to assist in relieving the present overcrowding of Dorchester penitentiary.

May I also stress—and I do this most sincerely—the importance of his officials giving every possible consideration to the employment of as many as possible of the people in the Springhill area. A great deal has been said, both good and bad, about the type of people in Springhill. When I say "bad", what I mean is this. Many say, "Well, they are miners; they can't do anything else". I do not believe this for one instant. I firmly believe that any man who has been a miner can probably do any job, of any type, that could be placed before him. There is no harder type of work; and there are no more dedicated people than are the miners of this town. If they are given the opportunity I feel that they will prove, as they have proven on three different occasions, their strength and their ability to provide for Nova Scotia as a whole a very outstanding, worth-while, energetic and stable community in Springhill which before the minister's announcement of March 5, appeared to be on the verge of slowly becoming a ghost town.

The minister gave them the incentive to go forward. They have embarked upon many different projects to beautify their town and

I know that the further incentives that will now be given as a result of the minister's decision to undertake the establishment of the institution in the area, in the near future will add further to the forward look of the people of this area.

Mr. Howard: Mr. Chairman—

Mr. Fulton: May I just deal with the questions asked by my friend the hon. member for Cumberland. Perhaps it might be more convenient if my remarks appeared at this point. First of all I want to agree with everything he has said about the people of Springhill. I am able to confirm that on the basis of the visit I paid there, as he has himself reminded the committee. I found them to be a people determined not to let disaster overcome them but to take their own initiative in meeting and overcoming the situation with which they were confronted. My visit there also confirmed the interim report which I had obtained from the correctional planning committee that that area is in every way a suitable area within which to locate a new institution for the maritime provinces. I regret that I cannot be more specific at the moment as to the exact location because, as I have said, we are in process of acquiring options now. We have two officers down there at the moment. I expect that those negotiations will be completed within a week or ten days at the most. I shall then be glad to make the appropriate announcement.

With regard to the type of institution which it is intended to establish there, the final decision must await the over-all report of the correctional planning committee. However, the committee itself in its interim report not only recommended that this was a suitable area for a new institution in the maritimes which already the indications show is going to be necessary, but that it was also a suitable area in which to establish an overflow or satellite institution for Dorchester penitentiary. So the first function of this institution will be to take care of the removal from Dorchester of those persons who should be taken out of there because of the overcrowded situation of that institution.

The Springhill area is capable of development in one or both of two ways; first, as a prison farm type operation and, second, as an industrial vocational training operation. We are fortunate in having an area which can be developed in one or both of these manners. The ultimate choice will, of course, be a matter for the long term decision and it may be we will pursue both types of development. In any event, we will have acquired, when our present plans are completed, a site which first of all can take care of the overflow from Dorchester and which, secondly, is capable of being developed to meet the needs of, preferably, a minimum security type of institution development along the lines of farm training or industrial vocational training.

The first construction which will be carried on will, of course, be of a departmental nature, because until we establish our over-all plan we are not going to build permanent buildings. We shall, of course, keep the hon. member's request in mind that we should employ, both in the initial and final stages, as many as possible of the local population.

Mr. Howard: On this particular item I should like to begin by making a reference to the arrival and present visit of Her Majesty the Queen. Some hon. members may wonder what connection there is between that and the question of penitentiaries but I can assure you that there is a connection. There has been some comment recently by a young television artist, Joyce Davidson, about the indifference of Canadians in so far as the visit of Her Majesty is concerned. I say at the outset that I rather agree with Miss Davidson in this regard, but there is a group of people in Canada who look upon the visit of Her Majesty on this occasion, as they did on the last occasion, with a great deal of interest, and this group consists of the inmates of our penitentiaries, because when royalty visits Canada it is usual for the King, or the Queen, to exercise the royal prerogative of pardon and to grant remission of sentence to some of the inmates in the penitentiaries. I am sure that this is pleasing both to the inmates who are released earlier than they thought they would be and to the minister and his officials in the Department of Justice, because they will have to suffer less headaches on account of overcrowding and so on.

With respect to the operation of our penitentiaries and the changing attitude which has been developing in this and other countries for a number of years, I thought it might be interesting if we looked back just 100 years and noted the comments made by a warden of a particular penitentiary and compared them with our general attitude today. The Kingston penitentiary inmates publication "The K.P. Telescope" for March contains excerpts from what is called the warden's diary of March, 1859, and I should like to read a few of the things which were written in this diary 100 years ago by the warden of that day, because they certainly indicate his attitude and, I am sure, the attitude of many other people at that time toward prisoners in penal institutions. Here are some of the entries in that diary written 100 years ago, and they may lead us to reflect on how our attitude has changed since that time.

Convict Frederick Day was sentenced to three days in the dark cells for committing . . . a certain offence . . . in his cell. His hands will be manacled.

Then there is another entry:

Female convict Edith Knapper sentenced to three meals bread and water and one night without bed for having tobacco on her person.

And, further on:

Convicts Sauve and Herron . . . are constant troublemakers and I am immediately seeing that Sauve is chained in the cell.

References continue throughout this report in that year to inmates being chained, manacled, chained in their cells, being forced to sleep one or more nights without beds, being restricted to a diet of bread and water and so on. Punishments of this type were common throughout this period. I see here another instance of a man ordered to be chained "until he realizes that he cannot be insolent to the guards." And so, throughout this period, there are examples of this cruel, inhuman and disgusting attitude which was expressed and put into practice by officials of penal establishments in those years.

Mr. Chairman, may I call it five o'clock?

The Deputy Chairman: It being five o'clock I do now leave the chair for the house to proceed to the consideration of private and public bills, the former having precedence, under the provisions of section 3 of standing order No. 51.

PRIVATE BILLS

THE FREE METHODIST CHURCH IN CANADA

Mr. M. D. Morton (Davenport) moved the second reading of Bill No. S-27 to incorporate the Free Methodist Church in Canada.

He said: The effect of this bill is to merge the Free Methodist Church and the Holiness Movement Church in Canada.

Perhaps, as a matter of interest, hon. members would like to know, or have on record, some of the history of these two churches. The Free Methodist Church had its beginning in Canada in the early years of the 1870's when Bishop B. T. Roberts of the Free Methodist Church of North America accepted an invitation to conduct some services in the area of Agincourt, Ontario. From that beginning interest spread until churches were organized in various sections of Ontario, in western Canada and in some sections of Quebec. The outcome of this was the formation of four conferences in Canada. These conferences co-operated entirely within the general church with its headquarters in the United States, contributing to its funds for evangelism, missions, superannuation and other expenses of the church. This situation continued until 1923 at which time an agreement was reached between the general church and representatives of the Canadian conferences whereby the latter would retain their funds and be responsible for their own expenses.

In 1927, the Canadian act of incorporation was secured establishing the Free Methodist Church in Canada. Immediately following this a Canadian executive board of the Canadian church was formed.

It may be of interest to hon. members to know that the board of directors comprises Rev. J. A. Robb, president, for many years a pastor and superintendent of the east Ontario conference; Rev. C. W. Reynolds, vice president, also with several years of experience as pastor and superintendent in the east Ontario conference; Rev. R. L. Casement, secretary, having been a pastor for 28 years, a superintendent for 8 years and now completing 9 years as secretary of this board; Mr. L. A. Freeman, treasurer, a school teacher for many years who is now principal of a large school in Hamilton, Ontario.

About the beginning of the present century an organization founded by Bishop R. C. Horner and known as the Holiness Movement church obtained a charter in Canada. Several churches were built in central and eastern Ontario and a few in Quebec and the United States. Interest also spread to the prairie provinces and in due time an eastern and western conference came into being. A strong missionary emphasis developed until the work in foreign fields surpassed in members and churches that in the homeland. A conference was organized in Egypt with 70 churches and between 7,000 and 8,000 members. Work was also undertaken in China until it became necessary for the missionaries to leave.

Throughout the years that the Free Methodist and the Holiness Movement churches have operated in Canada very friendly relationships have existed between them. While there was never a written agreement there appears to have existed a mutual understanding that one would not infringe on the activities of the other.

During recent years there was a growing feeling on the part of the leaders and many laymen in the Holiness Movement church that due to the heavy missionary program, and realizing that the doctrines of the two churches compared so favourably, it would be the reasonable thing to do and it would strengthen the forces for greater progress if the Holiness Movement church could merge with the Free Methodist Church in Canada. These have been the motivating principles behind the activities of these two churches.

They now feel they can work in unity under this new arrangement and if this legislation is passed by this house the movement will be known as the Free Methodist Church in Canada.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

SECOND READINGS—SENATE BILLS

The Acting Speaker (Mr. Rea): As there are a number of divorce bills standing for second reading, is it the pleasure of the house that these bills be taken in one motion?

Some hon. Members: Agreed.

Bill SD-340 for the relief of Timothy Allan Moran.—Mr. McCleave.

Bill SD-341 for the relief of Antonio Choma. —Mr. McCleave.

Bill SD-342 for the relief of Helen Ruby Riley Onions.—Mr. McCleave.

Bill SD-343 for the relief of Simone Alberta Chretien Welsh.—Mr. McCleave.

Bill SD-344 for the relief of Edward John Mendelsohn.—Mr. McCleave.

Bill SD-345 for the relief of Marcus Gilmour. —Mr. McCleave.

Bill SD-346 for the relief of Joyce Rosemary Hudson Plam.—Mr. McCleave.

Bill SD-347 for the relief of Bernard Lawrence Boire.—Mr. McCleave.

Bill SD-348 for the relief of Marie Madeleine Marielle Faust Morin.—Mr. McCleave.

CRIMINAL CODE

AMENDMENTS RESTRICTING CAPITAL PUNISHMENT TO CERTAIN OFFENCES

The house resumed, from Tuesday, March 24, consideration of the motion of Mr. McGee for the second reading of Bill No. C-18, to amend the Criminal Code (capital punishment).

Mr. R. J. McCleave (Halifax): Mr. Speaker, when my remarks were interrupted on March 24 I at that time had had an opportunity to make a short statement approximately ten seconds in duration in which I stated to the house that like the hon. member for Vancouver East (Mr. Winch) I, too, had witnessed a hanging several years ago but that unlike the hon. member I still believe that hanging should remain a part of our system of justice.

I did not think at that time there would be an opportunity to continue the debate. I am thankful it has arrived at last and that I will have an opportunity to speak about some of the remarks that were made by the sponsor of this bill, the hon. member for York-Scarborough (Mr. McGee), and those made by others who preceded me in the debate on March 24.

The house will recall that the three hon. members who led off the debate on that occasion were in favour of the abolition of the death penalty. I was the sole speaker on that occasion who advocated its retention. The resumption of the debate this afternoon affords me an opportunity of presenting some of the arguments that were discussed on the previous occasion as seen through the eyes of an anti-abolitionist.

The hanging that I witnessed took place at Headingley jail outside of Winnipeg in 1948. As I said on March 24, it was an inhumane sight that I witnessed. A considerable amount of controversy raged on the subject and several hundred thousand residents of southern Manitoba and the Winnipeg area had signed petitions asking that the death penalty be commuted to life imprisonment. Notwithstanding the petitions or the fact that a good case perhaps might have been made for manslaughter on the basis of the facts of the case, the death penalty was carried out. Even assuming that the man was wrongfully hanged and that the case was one of manslaughter, I have not changed my opinion concerning the fact that we should retain hanging as a punishment within the framework of our legal system. In short, what I am suggesting to hon. members who previously took part in this debate including the hon. members for York-Scarborough and Vancouver East is that a personal aversion or prejudice to the actual event of hanging should not colour one's emotion in reaching a decision on this subject. Judgment should not have to depend on a personal prejudice. I hope never to witness another hanging but I daresay one could become just as ill as I felt on that occasion as a result of watching a surgical operation. I strongly submit that personal opinion or prejudice should not affect one's judgment and I shall develop this theme more fully as I deal with the arguments that were advanced by those who preceded me in this debate.

One of the usual attacks of the abolitionists camp is that those who have been hanged were not guilty. They can point to an impressive number of cases and argue on them saying that these individuals were wrongfully hanged and therefore hanging should be abolished. For example, almost any student of criminology is familiar with the famous Bywaters-Thompson case in England in the mid 1920's. This was a case which created a great deal of controversy at that time because Mrs. Thompson eventually went to the gallows and

was hanged. The circumstances there were that Mrs. Thompson was older than her lover in that case and they struck up this illegal liaison. The young man in her life used to go to sea, and she would send him letters from time to time. To fan the flames of their passion she would inform him that she was busily engaged in trying to rid herself of her husband by putting powdered glass in his tea. This was not true. The murder itself occurred when Mrs. Thompson and her husband were walking along the street and the young lover ran up to the husband and stabbed him.

There was apparently nothing that Mrs. Thompson did at that time to make her an accessory. She did not pinion her husband's arms so that he was an immobile victim in front of the knife that took his life. In fact, it merely appeared that she was an innocent bystander, as it were, until it became known to the police that the murderer and the murdered man's wife did have this illicit liaison. That caused considerable controversy after she was hanged because people are wont to argue that she was made to pay a fearful penalty by the mere fact of achieving a romantic liaison which did end in her husband's death.

When I look at that case I do not find it particularly inviting in a debate such as this. Of course it may very well be that these chance remarks about putting ground glass in her husband's tea from time to time may well have made the young man think that after all she could not be the murderer of the husband entirely. "I must get in there and play a part myself." He might have been provoked. It was one more famous case that I think is almost always considered in debates on abolition. For myself, I have not thought it particularly helpful and I do not think it makes out any great point for the abolitionists.

The point that has been made by two of the speakers who preceded me in this particular debate is that the crown always has an advantage in murder trials and that the people who present the case before the courts are more able. They have all the resources and the police are rounding up witnesses and bringing them into court and it is very difficult for the defence to present its case properly. Again this goes to the argument, a strange argument, an argument that I find to be somewhat fallacious, that the people who were hanged were never guilty anyway. I think we should have more faith in our courts of justice and certainly anybody who knows court work knows that the greatest care is taken in the presentation of charges of murder against people; that the accused is given a great deal of protection, and undoubtedly is given even more protection than usually obtains in criminal cases. If there are dangers, though, that people have been wrongly convicted of murder I do not think the answer is to abolish hanging; rather I would suggest it is to see where the faults are and take appropriate action by amending the Criminal Code or in some other way providing even greater safeguards than exist at the present time.

The third line of approach on this theme, that those who are hanged are not guilty anyway, or the corollary to that particular point, was brought up by one of the members in the debate when he quoted the late Warden Laws of Sing Sing penitentiary to the effect that only the poor man or woman is hanged and the rich people are able to get away with it. There was an impressive statistic presented. The point that really bothers me is that out of 150 people taken to the execution chamber in Warden Laws' experience, 149 were men and the other person was a woman. But, in any event, all the 150 were poor. This point has given me some concern. I do not know whether it particularly goes to the proposition, though, that we should abolish hanging for that reason. It may be that more information is needed on what is the experience in Canada, for example, to see whether the rich are able to get away with murder and the poor are unable to get away with it. Perhaps these are statistics that would be very useful in helping to determine this rather interesting question.

A strong point made by the abolitionists, Mr. Speaker, is that hanging is based mainly on revenge. This argument, of course, suggests that our laws and our civilization are very much unaltered from the laws and civilizations of several thousands of years ago; that the eye for an eye and a tooth for a tooth code as it prevailed then prevails with us today.

On this point of revenge one of the preceding speakers quoted Rabbi Feinberg of Toronto in a very moving passage in which he describes his own particular emotions when nazis who had sent thousands of Jews to the gas chambers during the war were eventually brought to justice. Rabbi Feinberg asked himself the question that naturally arises in a civilized man's mind when he finds himself thinking in terms of our basic passions of revenge. I draw that reference to the attention of the house again. I do not intend to read it but it is to be found at page 2199 of *Hansard* of that particular debate.

On this particular point of revenge, it is asked what happens, what do you do when you see your wife or child being raped or murdered by someone? I do not find this a particularly useful approach in coming to a

particular decision as to whether to abolish hanging or not. It seems to me that it involves one in a personal and conjectural position, and that it uses the wrong approach to this whole problem. If there should be an approach at all it must be a dispassionate one; that you imagine somebody's wife or child being raped or murdered about 5,000 miles away and what particular remedy you think the law should exact on the rapist or the murderer.

On this particular point of revenge, it is suggested that there is revenge in the hanging of a man or woman for murder. I ask myself the question, who is obtaining the revenge? Is it the judge? There have been cases in the past of the hanging judge, men like Judge Jeffreys of 300 years ago. Even in modern times we hear of such and such a jurist having the mentality of a hanging judge, but I think we will all agree that most, if not all, of those on the bench go there with the proper qualifications. It is not revenge on their part that hangs a person for murder.

What about the jury? They come into court, 12 good men and women true, and are sworn to render a solemn verdict after hearing the evidence and to adjudicate on one fact only, whether the crown has made out beyond reasonable doubt and with moral certainty that the accused did in fact commit murder. Surely it cannot be revenge on their part if they so decide and the accused is hanged. It is not their task actually to determine whether an accused hangs at all. They simply decide whether the accused has or has not committed murder.

What about the role of the prosecutor? Is there revenge there? I suggest not. I suggest that a crown prosecutor's calling involves the presenting of the facts of the case that are in his possession, whether those facts are favourable to the crown and against the accused or whether they are not. This is a professional obligation on the part of the crown prosecutor and I am sure there are remarkably few, if any, who neglect that very basic duty. Surely there can be no revenge by them.

The defence lawyer is in a slightly different position but his relationship with his client must never override his professional duty to the court.

Finally, we come to the man at the end of the line, the hangman who actually carries out the hanging. Is there revenge on his part? Surely I can answer no again for the very obvious reason that he has been commissioned to do a particular duty. He carries out the will and determination of society and, indeed, the accused does not come into his hands at all for this final act until the due and awful processes of the law have been completely gone through. Where then is the revenge, the eye for an eye and the tooth for a tooth that the abolitionists speak about?

I suggest that if they make any attack at all on the ground of revenge they are directing that attack toward society. I suggest that if they reproach society thus, including themselves, they are in effect conceding that in thousands of years civilization has not really advanced at all, that we are no better off today in our attitude toward the law than the Babylonians were. In short, Mr. Speaker, I suggest that when they say that hanging is based essentially on revenge they are in effect saying that civilization cannot flower, that the minds of men are not capable of advancing from a primitive state of emotion, a primitive attitude toward murder and hanging, to something advanced and civilized.

There I have my main quarrel with them. I believe that in retaining hanging we do not do so because of revenge. We do so because our law has developed to the point that those responsible for the administration of law and society in general are saying that if a man does commit murder upon another man it is a decision of society that the murderer is not fit to live among mankind. I think it is a civilized approach. In making this decision to retain hanging as part of our system of punishment I do not think that people nowadays really regard it as a matter of revenge at all. Just as the eye for an eye and tooth for a tooth theory has pretty well vanished out of the warp and woof of law, so too I think that any notion of revenge has vanished as well.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like to say a few words in support of the bill, the purpose of which is to substitute life imprisonment for the death penalty as the punishment for murder. This is a very controversial subject largely because our concepts of justice and the basis on which justice should be administered have changed throughout the years. In the old days referred to by the hon. member for Halifax (Mr. McCleave) when justice was based on the concept of retribution or revenge as embodied in the phrase, an eye for an eye and a tooth for a tooth it was very simple and logical. But even that basis was capable of being distorted and we had situations only a few centuries ago when the death penalty was imposed for crimes such as stealing. We are reminded of that in the old saying that has come down to us and which we use frequently even today that one might as well be hanged for a sheep as for a lamb.

But as time went on scientific and industrial progress created a large middle class of people

who were capable of exerting a formidable public opinion. As this public opinion became more humanized by religious influences and better informed by the interchange of ideas and by increased knowledge of human behaviour, a public moral conscience began to emerge. As this moral conscience has developed there has been a definite rejection of the old basis of revenge and retribution, as the hon. member who has just taken his seat went to some pains to point out.

The death penalty was rejected as a punishment for the crime of stealing and there has been continual progress in that direction. It has been abolished for one crime after another until today it is imposed only for the most culpable forms of murder. The question now before us is, should it be retained even for such crimes and, if so, on what grounds can it be justified? We have already rejected revenge and retribution as sufficient justification for this punishment.

People who support the retention of capital punishment have tended more and more to base the justification on its efficacy as a deterrent. This in itself, is controversial because as we evaluate the experience in countries where this penalty has been abolished and compare it with countries where it has been retained, we find there is no clear balance of evidence one way or the other. There are statistical surveys which tend to show that when social and economic conditions, as well as other conditions, are similar there is no difference at all even among the different strata of society between countries which retain the death penalty and those which have abolished it.

In the year 1956, this parliament set up a committee to go into this question. This committee recommended that the death penalty should be retained. They based their decision largely on the ground that crime patterns in Canada were, in many respects, different from those in European countries. It was their belief that in Canada, at least, the death penalty was a greater deterrent than any other form of punishment. I think we must give due weight to that decision which was arrived at only after a most thorough investigation and deliberation. If we accept the finding of this committee as a fact, and I see no reason why we should not, then we must still ask ourselves, should this ground of a deterrent be the overriding factor? In my opinion, it should not be.

I submit, Mr. Speaker, that the overriding factor in cases such as these should be simply, is it morally right or is it morally wrong. The death penalty is justified on the ground that human life is sacred and it is morally wrong for one individual to take the life of another. If it is morally wrong for an individual, how can it be morally right for the state? It can only be right for the state if our concept of the state is such that we regard it is an impersonal body, such as a corporation. In some textbooks a corporation is defined as something which has no body to be kicked and no soul to be damned. I point out that is the very concept which has been developed by the communist state and by other states which are based on materialistic considerations. I believe we must reject that concept of the state and accept the fact that the state must be morally bound the same as the individual, and that the state is no more or less than what the individuals who have been entrusted with its administration make it.

We know today a great deal about human behaviour and the effects on human behaviour of such factors as heredity, environment, etc. Some of these factors are the creation of the state and are the responsibility of the state. To the extent that these factors have contributed to the behaviour of the person on whom the penalty is to be imposed, then the state itself is not above blame. In insisting upon the imposition of the death penalty the state is like Pilate washing its hands and rejecting its responsibility. This point can be developed to some extent, but I realize other speakers want to participate in this debate.

Having mentioned what in my opinion should be the overriding consideration, I should like to mention the second factor which should be taken into consideration. I refer to the risk of hanging an innocent person. There can be no doubt that that risk exists; there can be no doubt that innocent persons have suffered the death penalty. I do not believe the state can shrug its shoulders at that fact and say, it is too bad but society did it because society has decided that this person is not fit to live amongst us. It is one thing to say an individual is not fit to live amongst us, but it is another thing to say he is not fit to live at all.

If we are to be consistent and build up the law of our country on a moral foundation, if we accept the moral basis of the sacredness of the individual, then I feel we must avoid the risk of taking the life of an innocent person. In my opinion these two considerations, the morality of the thing and the risk of taking an innocent life, outweigh the consideration of the death penalty as a deterrent. For that reason, I heartily support this bill.

Mr. E. L. Morris (Halifax): Mr. Speaker, in rising to take part briefly in this welcome debate originated by the hon. member for York-Scarborough (Mr. McGee) I attest to no specialized knowledge. I am not a

lawyer. What I have to say about the subject of capital punishment revolves around my feeling of the concept of the state. In a democracy which attests to any spiritual purpose it seems to me that the state should be subject to the same moral imperatives as is the individual. Both people and state should subscribe to and obey a higher law. What is the basic law of God on earth if it is not the absolute inviolate nature of human life? The root whence everything else of value grows in our society seems to me to be, in Albert Schweitzer's phrase, reverence for life. I cannot persuade myself that this reverence for life can be preserved by adding to what is usually a passionate and private killing, a deliberate public killing. I therefore feel that I must realize my personal share in the extraction of the death penalty. I believe that the hangman is ourselves.

Two basic arguments are generally advanced for the extraction of the death penalty. The first aim of punishment is argued to be that of expiation. It is clearly stated by a recent Archbishop of Canterbury, the late Dr. Temple. In a paper in which he considered the nature of penal treatment and entitled "The Ethics of Penal Action", he said:

> The community must exhibit an antagonism in its will against the will of the offending member. This is the first duty of the state towards the criminal himself. He needs, as we all need, sympathy: he needs, as a sick man needs, diagnosis of his disorder and appropriate remedial treatment: but above all he needs the reassertion of the moral law and of his own personal responsibility towards it—

Professor Gilbert Murray has summarized the same view in his preface to "An English Prison from Within", by S. Hobhouse wherein the professor writes:

> Other good men hold that, apart from all thought of the consequences, sin should bring suffering, and that, within certain limits, it is entirely satisfactory and correct that prisoners should be miserable, even if no good comes to any human being thereby.

At the international prison conference in 1925 Lord Haldane said:

> Punishment may become for the criminal his own act of expiation . . . The prisoner is submitting to his punishment as a reparation made to the fellow men against whom he has sinned in the crime he has committed.

McConnel puts it even more plainly in "Criminal Responsibility and Social Constraint" where he writes:

> The law of a state should be based upon the law of God and the punishments imposed by earthly courts can therefore have no higher or different aim than that of upholding the sanctity of the divine law, and of seeing to it that when this has been violated by crime and sin the violation shall be expiated by the suffering of the guilty.

[Mr. Morris.]

But it would seem difficult to continue to advocate the theory of expiation as being a justification for capital punishment if one considers the words of the distinguished Italian criminologist Professor Ferri, who wrote:

> The question of the moral guilt of a criminal lies within the domain of religion and of moral philosophy: it does not come within the province of the state, nor of the legal machinery of the state, because in order to judge the moral guilt of a human being we need to have the omniscience of God—

And that we do not have.

> It is the function of religion to judge moral guilt—

What can be said for the theory of retribution, if the theory of expiation fails? Westermarck, in his "Theory of the Moral Sentiments", writes:

> The immediate aim of punishment has always been to give immediate expression to the righteous indignation of the society that inflicts it . . . Whether its voice inspires fear or not, whether it wakes up a sleeping conscience or not, punishment at all events tells people in plain terms what, in the opinion of society, they ought not to do.

Sir James Stephen, a famous criminal lawyer of the late Victorian period, declared:

> It is highly desirable that criminals should be hated, that the punishment inflicted upon them should be so contrived as to give expression to that hatred, and to justify it.

Both expiation and retribution seem to me, Mr. Speaker, to fail on both tests which could be the only proofs of the validity of any general purpose of punishment. They fail because they are neither practicable nor are they applicable in all cases. It is certainly true that from time to time when some crime of peculiar atrocity against some defenceless or perhaps attractive victim is thrust upon public conscience, the community is moved by detestation of the act and by something akin to hatred of the offender. But this is profoundly unsatisfactory if it is advanced as being enough to justify either the expiation or retribution theories as having any general bearing on the purposes of punishment.

Capital punishment, far from being protective of society, seems to me to be punitive in its aim. It appears also to be purgative in effect and it is certainly primitive in form. Indeed it is one of the tests of an evolving Christian civilization that it advance from the theory of capital punishment. Capital punishment seems to be recidivist. The test of an advancing civilization in one sense lies in our attitude towards reverence for life. I do not think the state at any time has the right calculatedly to take a human life by means of capital punishment. I think it is primitive and punitive, and I think it is

a peril to the moral fibre of a Christian democratic society. I would, therefore, vote for the bill.

Mr. Hubert Badanai (Fort William): I wish to say a few words in support of this bill. I have never witnessed a hanging, and I have no desire to see one, but the arguments presented by the hon. member for York-Scarborough (Mr. McGee) on a previous occasion and by the hon. member for Vancouver East (Mr. Winch) are unassailable when one considers all the aspects of capital punishment and the evolution of our civilization. In this light, consideration of the abolition of the death sentence appears to be reasonable and sensible.

True there are crimes committed by individuals which demand a vengeance to heaven and for which even a death sentence would not suffice, but I honestly believe that life imprisonment in such cases would be more dreadful than the sudden end of life. Be that as it may, the time has come for enlightened nations to consider seriously the abolition of this ancient method of maximum punishment. The "pros" and "cons" will wax warmly. Nevertheless, the time will surely come, if it has not come now, when capital punishment in peacetime will be a thing of the past.

I will not take too much time in going over the reasons why we should seriously consider approving this bill. This is not the first time that eloquent arguments have been presented in support of a change from the punishment of death to a sentence for life. Several hon. members of this house have on occasions made substantial contributions toward the object of this bill. I am merely supporting those valiant warriors whose unselfish interest in this matter should be clear to all concerned. Such an advance as they suggest would not be introducing a precedent for a civilized nation, because there are dozens of countries, including several of the states to the south of us, which abolished the death penalty long ago.

In the report of the joint committee of the Senate and House of Commons on capital punishment made in June, 1956 capital punishment is stated to have no unique deterrent effect which would not be accomplished by imprisonment. It was claimed that a considerable proportion of murders are committed in circumstances of sudden passion and that such murders cannot be deterred by threat of the consequences. In contrast, those who carefully plan a murder or a crime such as robbery from which murder results, were alleged to make plans deliberately to avoid detection, and not to be influenced by the threat of the death penalty. Moreover, a study of the report would indicate that a good case can be made of the fact that it is morally wrong for the state, as well as for an individual, to take human life. The death penalty is certainly at variance not only with the principles of Christianity but also with the humanitarian and social development of this day and age. In short, it does not appear to be justified as a deterrent and is retained only as a means of revenge. Then, as has already been eloquently pointed out this afternoon by the hon. member for Burin-Burgeo (Mr. Carter), there is always the risk of executing an innocent person.

To those who say that the abolition of capital punishment would prejudice the safety and well-being of the public, I would point out that the experience of those countries which have not had capital punishment for many years is ample proof that such a fear is unfounded.

For all these reasons, may I say, in conclusion, that I am heartily in favour of this bill.

Mr. Stuart Fleming (Okanagan-Revelstoke): Mr. Speaker, the case in favour of the abolition of capital punishment has been placed before us in arguments so eloquent and persuasive that it is impossible not to be drawn to them and to feel strongly that they are based on firm moral ground. I also think it is as well—

The Acting Speaker (Mr. Rea): Order. It being six o'clock this house will now revert to the business which was interrupted at five o'clock.

SUPPLY

The house again in committee of supply, Mr. Rea in the chair.

DEPARTMENT OF JUSTICE

Penitentiaries—

159. Administration of the office of the commissioner of penitentiaries, including $75,000 for grants to recognized prisoners' aid societies, as may be approved by the treasury board, $572,678.

It being six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Howard: Mr. Chairman, when the debate was interrupted at five o'clock I was reading excerpts from a warden's diary written in 1859 describing atrocities wreaked on prisoners including manacling, chaining, handcuffing and sentencing to a diet of bread

and water for three days without their being given a bed for so small an offence as being in possession of tobacco.

Over the years the attitude on the part of the administrative and custodial staff of penitentiaries has been altered to a degree but the attitude has not altered sufficiently to permit us to be proud of our penal institutions and some of the things that take place in them. Atrocities still exist. Some penalties and disciplinary measures that are imposed on inmates are not in keeping with good taste and human dignity and certainly are not conducive to reformation. I believe this is because for a number of years the theory behind penal institutions was that they were based on vengeance. They were operated on the basis of the revenge of society against an individual who committed an illegal act. Unless we can alter this philosophy and adopt a more positive approach involving vocational training, guidance, and psychiatric treatment we will continue to meet little success in the reformation of individuals who have run foul of the law.

We cannot achieve much success in following a system of treatment designed to rehabilitate inmates with the present overcrowding that exists in most penal institutions with the possible exception of Stony Mountain in Manitoba as the Minister of Justice said earlier.

I have some statistical information based on a question I posed to the minister some time ago and which I was fortunate enough to have answered today. Of course the information will not appear in *Hansard* for the benefit of other hon. members until *Hansard* for today is printed. I wish to refer to that information at this time. As at December 1, 1958, our total inmate population in penitentiaries was 6,064. The total number of cells available for inmates was 5,171. This leaves a balance of 890 inmates who have not individual cells available to them.

The construction of satellite institutions as the minister described them may assist in this problem and the visit of Her Majesty will assist in lessening the prison population and those who leave the institutions will be even more happy about her coming.

In order to cope with the problem of overcrowding it has been necessary to establish in most penitentiaries dormitories or sleeping facilities where the inmate is not confined in his cell but shares accommodation with other inmates. I am not decrying the fact that this situation exists because in many circumstances I think it is a better arrangement than confining an inmate in a cell. I understand that there are 1,171 inmates in dormitories. Because of overcrowding it has been necessary to convert to sleeping accommodation a space in penitentiaries that was formerly used for other purposes including recreation, corridors or carpentry shops. This space is converted into temporary dormitories so that the inmates will have some place to sleep. I understood that this has been done at the following penitentiaries: Dorchester, St. Vincent de Paul, Kingston, Prince Albert, British Columbia and Collins Bay.

When an inmate is sentenced to hard labour it no longer means breaking rocks with a hammer and a ball and chain around his leg. It merely means that the inmate must perform some kind of work at the discretion of the officials. This would embrace carpentry, fixing mail bags for the post office department, working in a blacksmith shop or a machine shop or doing farm work.

When it is necessary to convert space that served other purposes into sleeping accommodation it adds to the leisure time of inmates through the loss of recreational facilities, carpentry shop or other things. This problem is aggravated as prison populations increase. We all know that idle hands lend themselves to mischievousness. Most inmates already harbour certain feelings of antipathy but when deprived of constructive outlets through the conversion of useful space to sleeping accommodation it will lead to an increased hostility and the inmates may become involved in infractions of prison rules that will lead to their being brought before the warden's court. They may lose some of their good time or they may be sentenced to time in the black hole, or in the hole, as it is known. I refer to solitary confinement. If the misdemeanour is bad enough an inmate may be sentenced to being paddled across the rear by one of the custodial staff. This is not conducive to reformation and in no way assists inmates to become useful members of society upon their release.

While the minister is attempting to implement the recommendations of the Fauteux commission and is awaiting the final report of the correctional planning commission these problems are becoming increasingly aggravated. The longer we delay in adopting a constructive approach the more difficult of solution will the problem become.

I wish to refer to an experiment commenced in 1957 in the state of California about which I learned when I wrote to the director of the department of correction of the state of California. I received in reply information regarding a process known as sleep therapy. This may appear to be a science fiction approach that does not work too well. The process generally is that the inmate not only reads aloud as well as silently from a prepared text but his reading is recorded on

a tape recorder and played to the inmate while he is asleep. I have some information on the subject which I should be pleased to show to the minister if he does not already have it. This material was prepared under the direction of Mr. John Locke, public defender of Tulare county, California; Mr. Edgar D. Price, deputy public defender; Mr. Robert C. Lally a former recreational therapist at Porterville and Camarillo state hospital; and Reverend Glenn Peters, minister of the Ivanhoe Presbyterian church.

They helped to develop this particular system of sleep therapy and assisted in an attempt at reformation of people who are in some of their penal institutions in California. The material points out that it has worked to a pretty good degree in so far as inmates who have an alcohol problem are concerned. The result of these experiments indicates that this sort of sleep therapy treatment could also work where a person has a problem or has a desire to escape from reality by being addicted to other things such as narcotics. The prime experiment has been made on people who were drinking quite a bit and were either alcoholics or on the verge of becoming alcoholics.

The survey made of the individuals who had taken this sleep therapy treatment—and I may say that it is completely voluntary; no one is forced to participate in it in the slightest degree; it is completely voluntary on the part of the inmate—which was made in March indicated that 52 per cent of the inmates who took the treatment showed substantial benefit. The latest survey of inmates who were serving sentences of over three months, or an average of 116.3 days, indicated that 72 per cent showed a substantial benefit. This is something which I think might be given serious consideration by the department. As Mr. Locke and Mr. McGee, the director of corrections, say in their letter, extreme caution must be used in instituting such a program, and there must be a great deal of care and planning in the preparation of it; otherwise the inmates will rebel against it and it will not be of any help.

I think this is something that could be discussed, adopted and thought about. If it works to the degree that this information indicates it does in one part of the nation in so far as alcoholics are concerned, then there is every reason to believe that it will work in another part of the country at least in so far as alcoholics are concerned. If it is designed around the psychological imbalance which drives people to become addicted to something or other in order to escape reality, then there is reason to hope that it will work to a limited degree in so far as narcotics are concerned. Also, it will substantially lessen the effect of alcohol and narcotic addiction upon society and upon our crime rate.

When I mention the question of overcrowding I hope I may be permitted to wander far afield and make reference to an item which I drew to the attention of the house a few weeks ago with respect to the Penitentiary Act. I point out to the minister that although we have dormitories, some of them permanent and some temporary, in corridors, other places and so on—these dormitories have been in existence for some time—I submit to the minister that they are absolutely and completely illegal in so far as the Penitentiary Act is concerned. I am not suggesting that an inmate who is released from the penitentiary is going to take the minister to court because he was housed and had to sleep in a dormitory when the law says that he shall sleep in a cell by himself at night, but I suggest there is room for an improvement in the Penitentiary Act in this particular regard.

I am not a person who has had any experience or grounding in legal matters, but I have discussed this with a couple of lawyers and they are of the opinion that if an inmate was injured in one way or another while sleeping in a dormitory he would have recourse against the crown for damages because he was not properly protected, the law was not strictly followed in providing him with and keeping him in, as the law says, a cell by himself at night. I do not want to see the minister dragged into court and ordered to pay damages to some inmate, but the lawyers with whom I have discussed this have looked into the act, and that is the information they give me. So far such a thing has not happened. We want to prevent the minister from going to jail, but we also want to legalize and regularize that which has been going on for some period of time.

I also ask another question of the minister with respect to penitentiaries as it relates to members of parliament having visited various penitentiaries. We are the ones who enact laws which apply to the operation of our penitentiaries; we are the ones who consider the estimates, as we are considering them now, and attempting to determine whether the approach and the policy used by the minister and his departmental officials are the correct ones or not. Therefore, I made some inquiries as to how many members of parliament had been sufficiently interested in the past to visit some of our federal penal institutions. The answer which I received was to a degree disappointing because, as I said, we are the ones who will be legislating and the ones who are considering the estimates

and the policy and the attitude of the department and its officials in so far as penology or penal matters are concerned. Since January 1, 1955, only 10 of the present members of parliament sitting here have undertaken to visit any of the penal institutions under our jurisdiction. This is a bit of a disgrace.

I know we do not all have the opportunity to visit every type of institution or to participate in or study every possible question which comes to the attention or comes under the jurisdiction of the federal government. None the less, I think many more of us should take the opportunity of at least visiting the penitentiaries and talking with the wardens, the custodial staff and the inmates themselves about the problems and the difficulties that confront them, and learning their ideas so that when we do come to legislate, when we do come to consider the estimates of the department, the policy and the attitude of the departmental officials, we shall be in a much sounder and better position to do so because we would have had at least made a cursory examination of some of the institutions, even though it may be a slight discussion with the officials and the individuals themselves.

In closing I should like to pose some specific questions to the minister. I understand there are far too few psychiatrists and psychologists attached to the penitentiaries but in so far as decisions of psychiatrists and psychologists are concerned has the warden of a particular penitentiary the authority to override a recommendation of a psychiatrist or psychologist? I should also like to know who is allowed to visit an inmate and with what regularity, once a month or how often? How many letters is an inmate allowed to write each month and how many is he allowed to receive? To whom may he write and from whom may he receive letters? With respect to incoming letters, especially those from relatives, if they are censored what happens to them? Are the letters kept and does the inmate get them upon his release or are they returned to the sender? Is the inmate told that somebody has written to him but he cannot have the letter because it has been censored? What about the letters which inmates write? When they are censored or deletions are made are they returned to the inmate and is he informed that there is something wrong with it and that he should rephrase it?

I should like the minister to give consideration to this suggestion which has to do with the question of remission and the loss of time off for good behaviour. I believe it would be the decent thing to do if we were to give wardens the authority to return to the inmate any time taken way from him because of misdemeanours. It may be that the inmate, especially if it is the first time he has been in a penitentiary, may not be too familiar with the rules. He may have a rebellious attitude, may infract some of the rules and regulations and thereby end up in the warden's court and lose five or ten days of his time off for good behaviour but during the rest of his period in the penitentiary he is a model prisoner. I think some compensation should be given for the fact that he conducts himself within the rules during the balance of his term and perhaps the ten days he lost originally might be returned to him toward the end of his sentence by way of compensation for good behaviour.

Mr. Fulton: Mr. Chairman, I think I should probably start with the specific questions asked by the hon. member. First, he asked me with regard to the decisions of psychiatrists and whether the warden has the authority to override those decisions. Of course, in so far as the decision of the psychiatrist may be a decision or recommendation as to the medical, physical or mental condition of an inmate, the warden has in that sense no authority to override it because he cannot, if the psychiatrist finds a man to be ill, say that he is not ill. But the warden is the chief executive officer of the penitentiary and the warden has and must have final authority to determine what will be done with respect to an inmate. Therefore the warden has, of course, authority in the strict technical sense to reject or to refuse to act upon a recommendation, whether it be from a psychiatrist or from any other person, with respect to an inmate in the prison of which the warden is the chief executive officer. But I can assure the hon. member that if there were a case where a responsible prison official such as a psychiatrist made a specific recommendation which the warden felt he could not or should not carry out there would very speedily be a reference to the commissioner and the matter would be resolved at the headquarters level.

With respect to the question as to who is allowed to visit penitentiaries. Any immediate relatives are allowed to visit, without restriction or the necessity of obtaining any special clearance, within the visiting hours laid down. With respect to general visitors, those who are not related to the inmate, the regulation provides that they have to get the permission of the commissioner before they can go into the institution. What I have just said does not apply, of course, to persons such as social workers, members of the John Howard society and so on who have a general clearance in advance for the purpose of visiting penitentiaries. Persons other than relatives and accredited social workers, newspaper reporters, indeed members of parliament and so on who want to visit these

institutions, require to obtain clearance from the commissioner. I am wrong there. Members of parliament have the right under the act without the necessity of clearance from the commissioner.

Mr. Howard: I was going to say that when I was first elected I wrote and asked for permission and the minister wrote and told me I did not need it.

Mr. Fulton: My hon. friend's memory is better than mine. With respect to the number of letters that an inmate may write and receive, he is allowed to write four letters a month and special letters if the occasion warrants it. There is no restriction upon the number of letters he may receive from immediate relatives who are set out in the categories defined in the regulations. With regard to a letter which an inmate has written and which is not allowed to be sent out under the regulations, it is returned to the inmate and he is told the reason why the letter cannot be dispatched. If it is a matter that can be dealt with by re-writing he may rewrite the letter and send it out.

With regard to incoming letters which are not allowed to be delivered to the inmate because they contain something which under the regulations makes the letter inadmissible, such letters are sent back to the person writing them with an explanation of why, under the regulations, they are not allowed to be delivered to the inmate.

With respect to the general comments of the hon. member for Skeena, I have made no secret of the fact that we do have this overcrowding situation in our institutions across Canada. We are moving to meet the situation. I would point out that under the estimates this year the construction vote is up $1,682,000 over last year and there is a further $572,000 in the supplementaries for construction, making a total increase of some $2 million odd over last year.

The Joyceville institution, some eleven miles from Kingston, is expected to be completed and ready for occupation this fall. It will go a very long way toward relieving the overcrowding situation at Kingston and also at Collins Bay.

Mr. Martin (Essex East): Is there a second Collins Bay as well as Kingston penitentiary?

Mr. Fulton: There is just Kingston, Collins Bay and the women's prison at Kingston.

Mr. Martin (Essex East): But the new place, Joyceville, is only for Kingston, is it not, only for the penitentiary?

Mr. Fulton: It will relieve it to this extent, that Joyceville will be what is described as a medium security institution. It will be able to take inmates from Kingston and by relieving the overcrowding at Kingston of prisoners of that type, will also relieve the pressure on Collins Bay.

Last year we commenced the construction of a new institution similar to Joyceville near St. Vincent de Paul. Contracts have been let for a little over $3 million, and the construction of this new institution we hope will be completed by the summer of 1960.

Then, as the hon. member himself has pointed out, there is a program of dormitory construction and the construction of temporary accommodation at other institutions, notably Prince Albert. In addition there are the satellite institutions at William Head and Valleyfield and there is the new institution to be commenced at Springhill. In this way, we are moving to take care of the immediate problem of overcrowding. When we get the complete report of the correctional planning committee, then of course we will be able to work out a complete program for the construction of new institutions elsewhere in Canada which will fit into the over-all penitentiary program.

One of the main problems, of course, is the location and design of a new institution in western Canada, and that is something upon which I am awaiting specific recommendations from the committee. My hon. friend did point out that under the Penitentiaries Act each inmate is entitled to a cell. I am concerned about that situation. All I can say, however, is that I am told that long before overcrowding became as acute as it is now, and as it has been for the last two or three years, inmates were confined two to a cell and dormitories were designed and authorized under the penitentiaries program. There are situations in which dormitories are more suitable than this single cell principle. I might say that dormitories are desired by the majority of inmates who do not like the feeling of being locked into a narrow cell at night.

I cannot tell my friend why the act has not been amended previously to take care of this situation. I only ask him to show some forbearance and not to lay charges because we expect, after we get the recommendations of the committee, we will have some very substantial revisions of the Penitentiaries Act to make. This is one of the matters which will certainly be taken care of at that time.

Mr. Howard: May I ask the minister another question because I do not believe he quite understood my point. I am not complaining about the use of dormitories, I am just suggesing it is illegal. I inquired about visiting. How often and with what regularity can an inmate receive visitors?

Mr. Fulton: An inmate is allowed one visit per month and up to three visitors at one time.

Mr. Howard: Another question which I posed is, if a letter is written to an inmate which cannot be forwarded to him because of its contents, it is returned then to the sender, and is the inmate advised that a certain person wrote to him but he could not receive the letter?

Mr. Fulton: Yes, I am informed that the inmate is advised that the letter has been sent back to the sender.

Mr. Howard: May I make one or two comments about that? First, in so far as the letter being returned to the writer is concerned and the inmate being advised that he had received the letter, I may say that the last time I had the opportunity of visiting Kingston penitentiary I spoke to two inmates who claimed that this was not so. They said they had had relatives write to them and they discovered this quite some time after the letter had been written. The letter had been censored or had not been forwarded by whoever is responsible for not allowing letters to come in. The letter had been returned to the sender but the inmate had not been advised.

Something of that nature is quite upsetting to an inmate, especially if the letter happens to be from his wife or his parents or some very close relative. It is upsetting if the inmate does not hear from a relative for a month or something of that nature. I think some more strict application of this notification to the inmate that the letter has not been given to him because of its contents should be followed out.

I should like to inquire incidentally with respect to who the censors are, if that is what they are called, of this correspondence between inmates and persons outside. What qualifications do they have? Is there any guidance given to them? Is that their sole duty, the handling of mail in and out, or do they have something else to do?

In so far as visits are concerned, especially from relatives, I think it is rather unfortunate that this is confined to one a month. That may be sufficient in many cases. I am sure there are inmates who have no visitors or, perhaps, over a period of a year may have one or two visits because their families live some distance from the penitentiary. However, in other cases, I am sure this is not so. If an inmate, for the sake of argument had his home and his family in Kingston and was sentenced to Kingston penitentiary, I am sure you could expect the relatives would want to visit him. He would normally want to see them more than once a month. I think this provision should be relaxed.

In so far as the four letters a month are concerned, I hardly think that is sufficient. This may be because of my personal attitude toward writing, but I hardly think four letters would be sufficient in all cases. Inmates should not have to make a special plea to the warden to write a special letter. I believe you could extend the four letters a month to something greatly in excess of that. If a prisoner has a wife or has parents, for instance, it means he can write to them alternately, so that he would write to his wife twice a month and to his parents twice a month. If he has children, then the condition worsens. I think four letters a month for an inmate is far too strict a provision. There are many inmates who would not take advantage of the privilege of writing four letters a month, but for those inmates who would like to write more often I am sure it would be most helpful if we could expand the provision and allow the inmate to write more than four letters a month if he so desires. In so far as Joyceville is concerned, I understood the minister to say that this was to be a medium security prison.

Mr. Fulton: That is correct.

Mr. Howard: I understand also that it is closer to a maximum security prison, from the standpoint of the construction of it, from the walls around it and so on. I have not seen it in its present state but when I was able to visit Joyceville previously it was purely a sort of hut arrangement with temporary dormitory cells and so on and was a medium security type of institution. But by people who have visited it since then—and this is only what someone else has told me; I do not know from my own knowledge from looking at it—I have been told that it more closely approximates the penitentiary at Kingston itself rather than something less secure or less strict than that. Perhaps the minister could indicate, in so far as Joyceville is concerned, whether the entire prison—the approaches from the cell blocks or the dormitories into the workshops and so on—is all enclosed in one building and whether the courtyard is enclosed on all sides by walls and/or buildings and whether there are gun turrets, if that is what you call them, and whether there are guards in the turrets with guns or whether in that regard there is much difference between, say Kingston penitentiary and Joyceville. If there is not, and if the person who spoke to me about this matter is correct, then it would appear to me to be a misnomer to call Joyceville a medium security prison. It appears to be not anywhere near

it. If we have been spending $3½ million or $4 million as the minister said on a medium security prison and this is what it is, then it is a complete waste of money and we have nothing more than a reproduction of Kingston penitentiary itself, only modernly constructed and of recent date.

Mr. Fulton: With respect to the letters of inmates of Kingston penitentiary to which my hon. friend refers, I have checked further and I am advised that although the act authorizes the warden to retain, destroy or otherwise deal with an inadmissible letter as he may see fit, the practice is to return the letter to the sender with an explanation why it is inadmissible and so to inform the intended recipient. My advisers inform me that this is the practice and if there has been any departure from that practice we should be glad to be supplied with the names and particulars in so far as the hon. member has them available so that we may investigate.

Mr. Howard: This is only what has been told to me by inmates with whom I have spoken. They may not have told me the full facts.

Mr. Fulton: With respect to the official who is authorized to examine the mail, he is known as a censor clerk and his sole duty consists of supervising the arrangements for visits, supervising visits and censoring the mail, incoming and outgoing. If there is any case in which there is any doubt as to whether a letter is properly sent out or properly to be delivered to an inmate, the clerk of course can refer the matter to the warden.

With respect to the problem of the number of visits that an inmate is allowed to receive, I think the hon. member has probably stated correctly that consideration should be given to relaxing that restriction of one visit a month. However, I am informed that the governing factor in this situation is the accommodation available. When you take an institution such as St. Vincent de Paul, which I regret to say now has something over 1,300 inmates and is close to Montreal from which the majority of the inmates come, I think my hon. friend will see that if we were to admit much more than one visitor per month we would be simply unable to provide accommodation for visitors and inmates to carry on these visits. But we have been working, I am informed, on the improvement of the accommodation available for the holding of visits. As we proceed with our construction program generally and relieve the overcrowding situation, with the special attention that is being paid to rooms available for visiting, we hope then to be able to take another look at this limitation of one per month.

With regard to Joyceville I think it may be correctly described as a medium security institution and not just another Kingston penitentiary as has been suggested. With respect to the building itself, it is true that all normal activities will be carried on within the ordinary walls of the building. But there is no prison wall around Joyceville. I want to emphasize the fact that there is no provision for gun turrets and that no guards will be stationed with guns at any point in Joyceville as in the big old fashioned type of institution. Furthermore, the construction program calls for the installation of exercise ground or grounds outside the prison wall and not enclosed by a wall. The Joyceville compound will not in itself be enclosed by a prison wall as is the case with the old fashioned types of institutions which are described as maximum security. There will merely be a fence. There will also be a farm attached to Joyceville which will similarly be surrounded by a fence and not by a wall. There will be many occasions on which inmates will be outside the walls and not separated by anything other than ordinary fences from the outside. It is not a minimum security institution by any means but it is a very considerable improvement on Kingston.

Mr. Howard: I have one other thought on this matter, if I may be allowed to express it. Will the institution at Springhill be a maximum security institution or a minimum security institution?

Mr. Fulton: That institution will certainly be starting as a minimum security institution and I hope we can keep it as a minimum security institution.

Mr. Howard: What about the proposed penitentiary in western Canada or is that too far in the future to determine what degree of security will surround that one?

Mr. Fulton: About as far as I can go in that matter is to say that we do not think it will be anything more than a medium security institution.

Mr. Martin (Essex East): What about the satellite institution at William Head? Is that the old type? I do not know whether or not I am correct in calling it a satellite institution. Is that the old immigration building?

Mr. Fulton: Yes, that is correct. It is the old quarantine station owned and operated formerly by the Department of National Health and Welfare.

Mr. Martin (Essex East): That means that the government of British Columbia has not accepted the proposal that was made some time ago about the use of that building.

Mr. Fulton: All I know is that the British Columbia government has not taken it over. I was not aware of the details of the offer to which my hon. friend refers.

Mr. Winch: If an inmate breaks the rules of the institution he is subject to discipline and that is done by the warden. There are many methods of discipline such as taking away good behaviour time, taking away of privileges such as that of writing, tobacco, radio and all sorts of things. There is also the power to send a prisoner into solitary confinement. It is about that matter that I would like to have a few words to say. On April 14 I asked the minister a question as follows:

> Are there any federal penitentiaries where dissociation cells (solitary) are of such a nature that in addition to the barred door, there is an additional steel door cutting out all sight and voice to the inmate.

The minister, in answering that question, said this:

> Yes, Dorchester, Kingston and Manitoba penitentiaries.

In other words, there are three penitentiaries in Canada which, in addition to the steel rod doors, there is also a solid metal door. I have visited some of these solitary cells and I want to say that I think they are an absolute disgrace. It is absolute torture to put a man into these small-sized closets with no window through which he can see out—not only a floor, a ceiling and three blank walls, but a steel door in front of him by means of which he is shut off during the whole of the time he is in solitary—and he may be three weeks or even months for 23½ hours a day. He can see nobody, hear nobody and talk to nobody. I admit there are occasions when solitary confinement may be required, but I say it is medieval torture to keep a man cooped up the way men are kept in these prisons. Moreover, if a man is in the least prone to claustrophobia it does not take much imagination to visualize what could happen to his sanity. I sincerely hope the minister is going to have a change made and have these solid metal doors removed, or at least left open.

Mr. Fulton: There are, I am happy to say, several inaccuracies in what the hon. gentleman has said. I am sure the inaccuracies are only inadvertent. Visits and correspondence are not automatically forfeit when an inmate is sentenced to solitary confinement.

[Mr. Fulton.]

Mr. Winch: I did not say they were automatically forfeit; I said they could be taken away.

Mr. Fulton: But they can be forfeited only, I understand, because of abuse of the visiting or mail privileges, and this would be a rare case.

With respect to the question of the solid door, I think it should be emphasized, first of all, that there are only three institutions where there are these solid doors. But it is not customary for these doors to be closed.

Mr. Winch: Every time I have been there they have been closed.

Mr. Fulton: That might be due to one of two factors. Either there was nobody in solitary confinement at the time, in which case it would not matter or, possibly, the hon. member was on the wrong side of the door. But I am informed that it is not customary for these doors to be closed and that they are only closed temporarily in the event that a prisoner is creating a disturbance, in which case it is desirable to close the door to prevent the disturbance from upsetting the rest of the institution. As soon as the disturbance has ceased, the door is opened, and in the ordinary course of events the only door which is kept closed is the barred steel door, not the solid door. I do not deny that there may be occasions when this door is closed, but the occasions are those I have described.

Mr. Herridge: I have been in this house for 14 years and I realize that there are many improvements to be made in our penal system and in our penal institutions. I have got this information from people who are very interested in penal institutions, and in their opinion there has been a great improvement since the present commissioner took office.

Strangely enough, I have a relative who is one of the senior penal psychologists of Great Britain, Dr. Trevor Gibbons, who had an opportunity to meet the commissioner when he was attending a meeting in New York in connection with the United States penal institutions, and he told me he was very impressed with the plans which the commissioner had in mind, and with his whole approach to the operation of penal institutions in this country. I am of the opinion that many of the faults that have to be corrected are caused by the lack of sufficient space, the lack of suitable institutions and, in the past, the lack of funds, and we certainly hope that these will be provided in the future.

I have reason to ask the minister a question or two and while I know that under provocation he can become acidulous, he is at heart a kind hearted man. A gentleman who is very

interested in this question of the rehabilitation of prisoners has written to me expressing concern about the possibility that the present government may cut out all sentences between the length of six months and one year, and he has asked me to inquire what is intended in this respect; what would be the line of demarcation between the sentences of men and women sent to prison and those sent to jail.

Mr. Fulton: This was discussed briefly this afternoon. Before I enter upon that subject, however, perhaps I should express my appreciation of the remarks which the hon. member has made with respect to the commissioner, to whose services I should like to pay my tribute. I should remind the committee that we amended the Penitentiary Act last year to permit of the extension of the term of the present commissioner. At this time, particularly when we are embarking upon this extensive program of reform and modernization, we consider it essential that we should retain his services as long as we are able to have the benefit of the experience of this highly qualified and dedicated officer.

With respect to the question of the difference between the six months and one year terms, I will just be brief, because, as I say, we discussed this this afternoon. The hon. member will recollect that the federal government agreed to assume responsibility for all persons sentenced to terms of more than six months. This was agreed to in principle, and the provinces agreed to it in principle at the conference which was held last October. It is, however, our view that as we are increasingly placing the emphasis in our institutions upon reform and rehabilitation programs it would not be sensible to commit to these institutions prisoners who are given sentences of only six months, or seven or eight months. The reason is that when one takes into account the automatic remission of sentence and parole considerations which are applicable to reduce the length of a sentence at one end, and when one takes into account the length of time consumed by the classification and admission process at the other end, it works out that of a sentence of even 12 months to only about nine months are actually served in the institution, and that of these nine months as much as six weeks may be taken up by the classification and admission procedures. This means there would be only some seven and a half months available for the man to undergo rehabilitation and reform training, and it is not possible to do a great deal of good, in most cases, in that period.

It was therefore our view that at least the federal statutes should be amended so that no sentences might be imposed between six months and one year, and magistrates and judges would be asked to consider in their sentencing practices that if only a short sentence is required by way of what one might call a mild retributive punishment a sentence of six months or less would probably be adequate, coupled with, or as an alternative to, a fine, but if that what a man needs is a reform and training program leading to his rehabilitation a sentence of less than 12 months would scarcely permit such a program to be started before the man was due for release, and that therefore it is not sensible to send a man to a federal institution for a period of less than 12 months. That is the thought behind it.

Mr. Herridge: Mr. Chairman, I apologize to the minister if I caused him to repeat something he said this afternoon but I was called out and I promised this gentleman to raise the point. I want to read from this letter:

> I asked one official if the above proposal was made to suit the crime or the criminal. He replied neither; it is to suit administration!

Mr. Fulton: Far from it.

Mr. Herridge: I continue:

> You can imagine the effect of a year's sentence on an inmate under this scheme. He would always be hostile. Because he would believe that he should be doing six months instead of a year. Though he would only do a year in prison the inmate would return to the community as bitter as many men doing a much longer sentence.
>
> From the point of view of those of us who are doing correctional work this type of sentence simply does not make sense. We are able to do a lot for the men who are doing short sentences and at present our correctional program in the gaol at Prince Albert is second to none in Canada. This is not blowing our own horn, but a simple fact. But the services we are now giving to men doing up to two years will be lost under the new act. These services include group work, education, individual counselling, forestry camp projects, agricultural training, rural repair shop training, psychiatric aid, carpentry training, recreational programs, et cetera, et cetera. All of these things have been developed from scratch during the past few years.

Mr. Fulton: Mr. Chairman, I can assure my hon. friend that the writer of that letter is under a very definite misapprehension as to how the act will be amended if this proposal is put into effect because these services will not be lost to men who are serving two years or more but will be available to all those who are sentenced to serve twelve months or more because all these people will go into federal institutions and therefore a training program will be available.

Mr. Pickersgill: Mr. Chairman, I should like to join with what the hon. member for Kootenay West said about the present commissioner. In view of what was said last night by the hon. member for Parkdale with

which at this moment I am not going to quarrel, I think it should not be forgotten that we have had a good commissioner over these years and that the progress that has been made over these years is because of what was done by the late Ernest Lapointe, before the last war—and which was unhappily interrupted by the war—which was continued by Mr. St. Laurent, Mr. Ilsley and Mr. Garson, something which I think we are all glad the present minister is also continuing.

Mr. Drysdale: Mr. Chairman, I should like to ask one or two succinct questions on what might be termed the economic aspects of capital punishment. Perhaps it might be more convenient to the minister if I were to state my questions—

Mr. Fulton: I do not think capital punishment has anything to do with the item under consideration, Mr. Chairman.

Mr. Drysdale: As I understand it, Mr. Chairman, we are discussing item 159. When the hon. member for Skeena spoke he seemed to drift considerably with the tides and wind into what I took to be item 160, and the questions I have are relevant to 160. There has been a considerable amount of discussion about penitentiaries and the operation of penitentiaries, et cetera.

Mr. Fulton: But, Mr. Chairman, executions are not carried out in penitentiaries. I do not think this vote has anything to do with capital punishment at all.

Mr. Drysdale: Mr. Chairman, could I ask the questions and then you could rule as to whether or not they are relevant?

Mr. Fulton: Not if they relate to capital punishment, I submit Mr. Chairman.

Mr. Martin (Essex East): Mr. Chairman, the hon. member who has sought to intervene is a new member of this house and we all know him as a devoted member. I think he at least ought to be allowed to state his questions so that you may rule on them without his being suppressed by the minister.

Mr. Drysdale: Mr. Chairman, I feel I am really on the wrong track if I am being assisted by the hon. member for Essex East, but in spite of that assistance I would like to put my questions and then have you rule as to whether or not they are relevant to this item.

I wanted first of all to get some factual information on the average cost of a hanging and as to whether that is a purely federal or provincial matter?

Mr. Fulton: Mr. Chairman, I am unable to answer the question because as I say capital punishment is not carried out in federal penitentiaries. I am neither able to answer the question nor is it relevant to the item under consideration.

Mr. Drysdale: As a supplementary question, Mr. Minister, may I ask if any consideration is being given—

Mr. Fulton: Mr. Chairman, I am sorry, but I suggest to you—

The Deputy Chairman: Order. I believe that the hon. member for Burnaby-Richmond has been answered by the Minister of Justice who says this matter does not come under his jurisdiction and, as it does not, therefore it is not relevant to the item before us.

Mr. Roberge: Mr. Chairman, I am very glad to see that the minister is not a hangman. Under this item I should like to pursue what I dealt with in my earlier remarks under item 150. Item 159 covers grants to recognized prisoners' aid societies. The amount this year is $75,000 compared with $60,000 last year. My question is this. Are these the same societies previously mentioned by the minister under item 150?

Mr. Fulton: Mr. Chairman, we are proposing to pay this year $75,000 to recognized prisoners' aid societies. The amount this year last year. There is an increase under this item of $15,000 and an increase under the departmental item which we discussed earlier of $10,000 representing a total increase of $25,000. The organizations to which these grants are paid under the penitentiaries vote are as follows: The John Howard Society of British Columbia, the John Howard Society of Vancouver Island, the John Howard Society of Alberta, the John Howard Society of Saskatchewan, the John Howard Society and Elizabeth Fry Society of Manitoba, the John Howard Society of Ontario, La Société d'Orientation et de Réhabilitation de Montréal, Le Service de Réadaptation Sociale de Québec, the Catholic Rehabilitation Service of Montreal, the John Howard Society of New Brunswick, the John Howard Society of Nova Scotia, the John Howard Society of St. John's, Newfoundland, the Salvation Army Prison Aid Service, the Elizabeth Fry Society of Kingston and the John Howard Society of Quebec.

Mr. Winch: Mr. Chairman, I am certainly not going to ask the minister for his views on capital punishment but there is one question I should like to ask. It is my understanding that the government of Saskatchewan has informed the minister that in the future it will not permit capital punishment to be exercised in provincial institutions there. If that is correct, what is the decision of the

minister concerning the use of penitentiaries as such? Is Saskatchewan to be a province where you can feel pretty safe concerning the commutation of sentences?

Mr. Fulton: I am really unable to answer that question because the case has not arisen and, as I suggested already, the question of capital punishment has no relevancy to the item on penitentiaries we are now discussing.

Mr. Howard: Mr. Chairman, when the minister answered my earlier remarks I failed to hear him deal with one question I asked. At the present time prisoners are allowed to write four letters a month to relatives. Would the minister give consideration to permitting them to write more?

Mr. Fulton: Yes, Mr. Chairman, I certainly could undertake to review that question. We would have to see what the implications might be with respect to staff. I can assure my hon. friend that we have a number of staff problems at the moment and I say that without trying to minimize the human relationship of the problem he has referred to. All I can undertake to do is to have a look at it without at this time being able to make a firm commitment about what we could do.

Mr. Howard: I do not think this point arose in discussion between the minister and myself but it is my understanding that the length of visits of family or friends to inmates is restricted to one hour.

Mr. Fulton: That is the maximum period that may be allowed.

Mr. Howard: What are the total number of hours a day during which visiting is permitted?

Mr. Fulton: Well, the time during which the prison is open in general is from 9.00 a.m. to 4.00 p.m.

Mr. Howard: That would be—

Mr. Fulton: Seven hours.

Mr. Howard: Seven hours a day, six days a week?

Mr. Fulton: Five days a week.

Mr. Howard: Thirty-five hours a week; therefore, he could have a maximum of 35 visits a week?

Mr. Fulton: That would depend entirely on the size of the visiting rooms. The visiting rooms, as I am sure my hon. friend knows from his own visits and inspections of the penitentiaries, accommodate—the visiting rooms, I am told, accommodate from 10 to 20 visits simultaneously, each room being partitioned.

Mr. Howard: Perhaps I should have used the words "if only one person visited in a particular area". On a very rough guess, if there is a minimum of 10 visits a day, then you could allow 350 visits a week and I am sure that not all inmates undertake to have visits once a month. I am sure that many of them may have only one or two visits a year, depending on how far away the person's family is from the site of the penitentiary. But it would appear that the argument for not relaxing the number of visits per month has not too much of a base, if this is the case. For instance, I take the case of Kingston itself. Unless you had the visiting area full of its maximum number of inmates for every hour if all of the visits were allowed, then you would have a problem of not being able to relax or extend the visits. I am sure that is not the case. For instance, in Kingston there are many times when the visiting room is not full. I am sure there may be times when no one is visiting any of the inmates at all. The minister nods his head. I take that to mean that what I am saying is substantially correct.

Mr. Fulton: Yes, but our difficulty is that we have to take account of the peak period. For instance, most visitors come in the afternoon between two and four. If we could insist humanely that visits be spread equally over all the day, then we could probably physically accommodate more than one visit a month; but we cannot compel or regiment the times at which relatives wish to visit an inmate. We therefore have to take account of the fact that there will be great peak periods. Unless we restrict the number of visits, you will find that some inmates cannot receive even as many as one visit a month because of the fact that visitors tend to come at peak times.

Mr. Howard: But you do restrict and regiment the number of times they can come during the month, and the hours of the day during which they can come and the length of time during which the visitor can remain on the premises? You restrict and regiment the facilities which exist in so far as the visit is concerned. I understand there must be certain restrictions and certain requirements with respect to the visitors because of the fear that some weapon may be passed to the inmate. We do know there is a very close watch kept on the physical contact between the inmate and his wife, or vice versa.

Mr. Fulton: We do not write to a proposed visitor or prospective visitor and say you may come only between, let us say, nine and ten in the morning on such and such a day. We do endeavour so far as possible to allow the visits to take place when the visitors wish

to come. They will be in touch with the institution and with the inmates and will do their best to arrange a time which is convenient to them, and we try to accommodate them at that time. We find that in order to accommodate visitors we have to take account of the fact that there are peak periods. We have not yet been able to devise a system of more than one visit a month, but when our accommodation problem is lessened we shall be able to have another look at that.

Mr. Howard: I was not suggesting that you write to the prospective visitor and say, "You have to be here at two o'clock" or anything of that nature, but you do restrict the period of time within the day during which a visit can take place, and that is between nine and four o'clock. That is the restriction I was talking about. What I was leading up to was this. Even though your peak periods may be in the afternoon and your slack periods may be in the morning, I think you could make some arrangement and allow this even if it is on a special basis. There will be special problems with respect to visiting facilities, and the inmate overcrowding problem is such that you are not able to say: "We will allow two visits a month". You could not cope with that. I am sure you could, even under those crowded conditions, make special arrangements in particular cases between the inmate and his relative so that the relative who wanted to come to visit could do so. You could then arrange a satisfactory time which might be in the morning in so far as the extra visit is concerned. I am quite sure that could be done without too much difficulty, and you would not then, as you say, be entering into the field of regimenting visitors and say that they have to come at a certain hour. You could work it out in a mutually satisfactory way so far as a visit beyond the normal one visit per month is concerned. I hope that some arrangement along these lines can be made for inmates who desire to have or are able to have more than one visitor per month.

I would also suggest and also think that the number of letters that an inmate is permitted to write to relatives may be extended to people who may be close friends but are not relatives. That could be given consideration also. The question of more relaxed circumstances as between the relationship of the visitor and the person he is visiting could be looked into and some arrangements made along that line similar to that which exists in the institution at Chino, California, where there is a very relaxed, informal, almost picnic arrangement between the inmate and his wife and children who come to visit him. I am quite sure if we could move into the direction of relaxing the rigidity of restrictions and the rules that apply to physical contact between the inmate and the person who came to visit him, along with additional letters, you might assist somewhat in hastening the rehabilitating and reforming process of the inmate and make him feel perhaps a little more accepted and less fit and less upset by his incarceration and all the things that surround him. I hope the minister will be able to move in this direction as quickly as possible and allow more letters and more relaxed conditions in so far as visits are concerned. So far as is humanely possible, he should relax the limit of one visit per month for one hour.

Mr. Fulton: Yes; I realize to some extent that we perhaps have been talking at cross purposes, because I have been discussing the rule of general application. Because of the accommodation problems and the physical condition of the majority of the buildings which we have, I am bound to think of institutions such as Kingston and St. Vincent de Paul. My hon. friend says he hopes we will move in this direction. I should like him to go and look at the William Head and Valleyfield institutions. These are new institutions. If he does that he will see that exactly what he has been talking is being followed in these institutions. The conditions and atmosphere there are much more relaxed, with minimum security and the men have relatively much more freedom to move about as they will. These, as I point out, are experimental stations. This is the type of new institution toward which we want to move and which it is our intention to bring about. In what I have been saying previously I have been thinking of the present circumstances under which we have to operate in the majority of our institutions.

Mr. Drysdale: I regret intruding into this conversation. I wonder whether I can ask the minister what is the average cost to maintain a prisoner for one year in federal penal institutions?

Mr. Fulton: The average cost for everything—I am having some arithmetic done—including salaries of staff was $5.66 a day. I am having some arithmetic done to arrive at the annual figure.

Mr. Drysdale: While the minister is working on his arithmetic—

Mr. Fulton: It appears to be $2,064.42 according to the latest figure we have.

Mr. Drysdale: When there is commutation of a sentence of hanging and it is changed to life imprisonment, what would the average period of time be in years before the prisoner would be paroled?

Mr. Fulton: My answer has to be that there is no average period. It would depend entirely on each case and the reports that were made by the prison authorities, and from now on it will depend on the decision made by the national parole board based on their review of the case.

Mr. Drysdale: Could the minister perhaps indicate the range, for example, the smallest number of years and the maximum number of years? I am trying to get a rough indication. I do not want to try to pin the minister down but simply to get a rough idea.

Mr. Fulton: I regret that the penitentiaries branch does not have these statistics. The remission service or the new parole board, which items have been passed, would have had these figures.

Mr. Drysdale: I should like to ask one more question. I went at the matter backwards and I seem to be having more success this way. With respect to the penitentiaries already in existence, is any consideration being given to establishing a central execution chamber using either gas or electricity?

Mr. Fulton: I have already explained and am sorry to have to repeat that it is not part of the authority or responsibility of the federal penitentiaries system to carry out executions and I am unable to answer that question.

The Deputy Chairman: The Chair has already ruled on that matter.

Mr. Regnier: I should like to ask the minister if any consideration has ever been given to trying to make prisoners self-supporting?

Mr. Fulton: To what?

Mr. Regnier: To make prisoners self-supporting so they can earn their keep in the same way as those who live outside prison walls.

Mr. Fulton: Prisoners who work in the prisons are paid a daily amount for their work but I will not pretend for a moment that it actually enables them to be self-supporting. I might point out to the committee that one of the reforms made this year which the penitentiaries branch has been quite anxious to see brought about is incorporated in the amendments to the Unemployment Insurance Act which were given third reading today whereby an inmate who was entitled to unemployment insurance benefits at the time of his commital to penitentiary no longer automatically forfeits those benefits by virtue of time spent in prison. Therefore, in a number of cases, and we hope an increasingly large number, a discharged inmate will be entitled to receive unemployment insurance benefits until such time as he becomes re-established in employment. We feel that will be a forward step in assisting released or paroled inmates to re-establish themselves in civil life.

Mr. Weichel: I should like to ask the minister how many penitentiaries there are under his jurisdiction?

Mr. Fulton: We are just trying to figure out the ones under construction. Those now in operation number nine and two satellites. There are two under construction.

Mr. Pearson: Can the minister tell me how many prisoners are now in penitentiaries whose capital sentences have been commuted in the last two years?

Mr. Fulton: If the question had been raised under the remission service item I could have given the answer straight away but we do not have it here in that form for the last two years. It will be necessary to find out how many cases have been commuted in the last two years and then I could answer.

Mr. Pickersgill: There is one question I should like to ask. Did the figure which the minister gave for board and lodging include clothing and depreciation and overhead so far as the buildings are concerned?

Mr. Fulton: I am informed it includes all clothing but no depreciation.

Mr. Pickersgill: It does include the salaries of the staff?

Mr. Fulton: Yes, that is correct.

Mr. Howard: I should like to express one thought with respect to the general import of the question asked by the hon. member for Burnaby-Richmond. I hope he was not trying to place a dollar value on human lives in the question he asked.

Mr. Pickersgill: Mr. Chairman, surely this is outrageously out of order. If the hon. member was not allowed to ask his question it is an outrage for some other hon. member to be allowed to get up and make comments on the question he was not allowed to ask.

Mr. Howard: My friend is probably just becoming impatient for one of the following items to be reached.

Mr. Pickersgill: I just like to see a little justice around here.

Mr. Howard: My friend, coming from the province he does and talking about justice—

The Deputy Chairman: Order.

Mr. Howard: I hope the hon. member for Burnaby-Richmond was not trying to establish that we should place a dollar value on human lives and determine whether it is cheaper—

Some hon. Members: No.

The Deputy Chairman: Order. The hon. member is making reference to capital punishment.

Mr. Howard: No, I am not making reference to capital punishment.

Mr. Fulton: The earlier observation was with reference to capital punishment and I submit that the discussion is out of order.

Mr. Howard: One question asked related to the cost of keeping an inmate in a penitentiary and how long he might stay there if his sentence had been commuted to life imprisonment. I assume the follow-up is to connect that with what might have happened to the person who is an inmate. I regret that this question was not raised under another item so that we could have cleared it up completely. Perhaps it is a case of misunderstanding on my part but it did raise that question in my mind. I am not trying to say that is what the hon. member for Burnaby-Richmond meant or implied or said but it did raise that question in my mind. I regret that the hon. member is not here now to clear up that question.

Mr. Martin (Essex East): I am sure he did not mean that.

Item agreed to.

160. Operation and maintenance of penitentiaries, including supplies and services relating thereto; administration, operation, repair and upkeep of buildings, works and equipment; maintenance, discharge and transfer of inmates; compensation to discharged inmates permanently disabled while in penitentiaries, $12,705,059.

Mr. Pickersgill: I should like to ask the minister what the reason is for the very marked reduction as shown in the details in the cost of operation and maintenance in the province of Newfoundland. Is it that there are so many fewer prisoners?

Mr. Fulton: I am happy to be able to advise my hon. friend that the number of prisoners maintained in Newfoundland has gone down from over 40 to 29.

Mr. Pickersgill: What is done with female prisoners in Newfoundland? Are there any?

Mr. Fulton: There are none at the present time under our jurisdiction with sentences of two years or more, and I do not know whether there are any under provincial responsibility.

[The Deputy Chairman.]

Mr. Pickersgill: In the rather unusual circumstances in which there would be a female prisoner sentenced to two years or more, what would happen? I think that is largely a hypothetical question.

Mr. Fulton: I understand that there are some accommodations under the jurisdiction of the provincial authorities in Newfoundland for female prisoners and under the arrangement we have with the government of Newfoundland female prisoners would stay in Newfoundland and be looked after by the provincial authorities to whom we would pay compensation.

Mr. Pickersgill: Can the minister say what these arrangements are and where that place is because at one stage I had something to do with some negotiations with respect to getting a building for women prisoners? At that time, on the rare occasion when a woman was sentenced in Newfoundland, they had no place in which to confine her and they just let her go. The provincial authorities were trying to find some place for women prisoners. I was genuinely interested in finding out whether anything had happened.

Mr. Fulton: I have not had any indications from or discussions with the Newfoundland authorities on that question. I do not recall that the attorney general raised it when we had our conference last October. We had a very general discussion regarding the arrangements in effect between us, but it was my understanding that Newfoundland was quite satisfied with the present arrangements. I am informed that they have some arrangement in the prison at St. John's for accommodating women prisoners. I am not aware that they are not satisfied, and I have had no complaints.

Mr. Pickersgill: There are no federal women prisoners in Newfoundland at all, then?

Mr. Fulton: None at the moment.

Mr. Pickersgill: Are all of those male prisoners who were sentenced to over two years kept in the penitentiary in Newfoundland?

Mr. Fulton: I understand they are either in the prison at St. John's or the camp at Salmonier.

Mr. Pickersgill: Can the minister say what amount is paid to the province for the custody of each of these prisoners?

Mr. Fulton: It is $5.60 per day; that is the price at which other prisoners are maintained. I understand it is six cents below the price paid—

Mr. Pickersgill: Six cents below?

Mr. Fulton: It is six cents below the price paid elsewhere.

Mr. Pickersgill: Nothing is paid for rent because the minister has just told us—

Mr. Fulton: That is just the cost.

Mr. Pickersgill: In other words, these people are being kept by the province of Newfoundland rent free.

Mr. Fulton: I don't know what my hon. friend means by rent free. It includes all the cost of what would otherwise be described as board, lodging, clothing, staff salaries, and so on.

Mr. Pickersgill: Perhaps the minister did not understand the purport of my earlier question. I asked him if that item that was mentioned included any allowance for overhead or building depreciation, and he said no. Now, he has just told us it costs $5.60—

Mr. Fulton: That is heat and so on; that would be a rent factor.

Mr. Pickersgill: I am not talking about heat and light; I do not regard them as rent. It costs $5.66 a day per head, and actually Newfoundland is only paid $5.60. The $5.66 includes no amount for accommodation and, as I said, therefore it would appear that these prisoners are being kept by the government of Newfoundland rent free.

Mr. Fulton: This rate has been revised from time to time, and this is the arrangement which has been in effect for many years. I am sorry it has taken my hon. friend this long to find out about it. I am surprised that he should only become exercised about it after there has been a change of government.

Mr. Pickersgill: I am not in the least exercised about it.

Mr. Fulton: You seem to be quite concerned.

Mr. Pickersgill: I imagine before the inflation, for which the hon. gentleman's colleague is responsible, that cost on the mainland was probably about $5.25 per day in which circumstance the $5.60 would probably have included some little allowance for rental.

There was one other point about which I wanted to ask the minister. Is there a long term agreement with the government of Newfoundland or what is the nature of the agreement?

Mr. Fulton: I am informed it is a written agreement, approved by order in council here and in Newfoundland, and it has effect until some other arrangement is agreed upon by the two governments.

Mr. Pickersgill: Has the government any thought of bringing this arrangement to an end and looking after prisoners in the way in which they are looked after in all the other provinces?

Mr. Fulton: We will be looking into that when we get the over-all report from the correctional planning committee, with recommendations for a long term building program for federal penal institutions in Canada. There is no thought of a revision at the present time, and we are not being pressed in that direction at all by the government of Newfoundland.

Mr. Creaghan: I have a couple of questions for the minister on this item. In recent months I have noticed quite a lot of advertisements for instructors for the penal staff, particularly at the Dorchester institution. I wonder if the minister could indicate to the committee if this staff will, in any way, be associated with training new men for the proposed institution at Springhill and, secondly, if the commissioner and the minister will give the senior employees at Dorchester, those who have given long years of service to his department, at least a fair opportunity of getting some of the senior positions in the new institution?

Another point I should like to mention concerns housing for those presently employed at Dorchester.

Mr. Fulton: Perhaps I could answer these two questions asked so far, because the answer to both questions is yes.

Mr. Creaghan: That more or less takes the questions out of my mind, Mr. Chairman. I thank the minister for his interest in the matter. I hope that if he comes to Dorchester in the immediate future he will not only inspect the institution but will also take an interest in the housing accommodation, which I must admit is no credit to his department.

Mr. Roberge: I note that according to pages 227 and 228 in the blue book there is an increase of 150 in the number of personnel under this item. Is the committee to understand that the reason for that increase is the same as that which the minister gave when we started discussing the first item of penitentiaries?

Mr. Fulton: This item results very largely from the necessity of providing staff for Joyceville, which, as I stated, will be coming into operation this fall, as well as the necessity for providing staff for the increased prison population at other institutions. Then, there are certain specialists whom we are recruiting in so far as we are able to find persons with the proper qualifications.

Item agreed to.

161. Construction, improvements and equipment, $6,058,571.

Mr. Pickersgill: I wonder if the minister could tell us precisely what buildings are being constructed at the present time? There is a list on page 230, but it is not very illuminating.

Mr. Fulton: Mr. Chairman, the list of the actual number of buildings under construction is very extensive. I would be prepared to provide it if my hon. friend wishes it, but I wonder if he does not wish to know at what points major construction is taking place?

Mr. Pickersgill: Perhaps the first question I should ask the minister is, does the department pay for these small buildings that are constructed to house the small detachments of police in many parts of the country?

Mr. Fulton: I think my hon. friend would have to wait for that information until we reach the Royal Canadian Mounted Police item. This relates only to penitentiary construction.

Mr. Pickersgill: I would be quite interested in knowing how many buildings have been started since the minister became minister, if he could list those—that is major projects, and where they are?

Mr. Fulton: At St. Vincent de Paul we are building a new institution which, as I said, is very much along the lines of the one still under construction at Joyceville, and also at St. Vincent de Paul there is a major dormitory building which will be able to accommodate 104 inmates. At Valleyfield we have taken over and are in the process of renovating and altering an army camp there as a satellite institution for St. Vincent de Paul. At William Head, there was the takeover, remodelling and alteration of the old quarantine buildings formerly occupied or owned or at least administered by the Department of National Health and Welfare. In addition to that, there is a sizeable dormitory building within the present area of the Prince Albert penitentiary accommodating some sixty inmates. Then there was the conversion of a building at Stony Mountain to provide dormitory accommodation for some fifty inmates, as I recall it. There was the complete new kitchen building in the existing institution at Kingston penitentiary; a large dairy barn at Collins Bay; a new piggery building for the farm at Dorchester, $20,000; a new shop building at Manitoba penitentiary, eventually $60,000, $20,000 in this year's estimates; a warehouse building in British Columbia, total cost about $30,000, $15,000 in this year's estimates. That is the type of building. There are three of what I might call major new institutions or satellite institutions. St. Vincent de Paul, William Head, Valleyfield, and Springhill definitely will be available this year by way of new or satellite institutions. There are other buildings of the type I have detailed which are by way of addition or alteration to existing institutions.

[Mr. Fulton.]

Mr. Pickersgill: There are a few questions I should like to ask about some of these matters. Perhaps the minister would like to answer them as we go along.

Mr. Fulton: If my hon. friend is asking a question he might follow the usual custom of rising in his place.

Mr. Pickersgill: I should be glad to do so. I am so accustomed to being in these numerous committees in other parts of the building where we do not have to stand up—in fact, if we do so, we never get a chance to speak—that I failed to do so in this instance. At St. Vincent de Paul there is a complete new institution. Can the minister tell me what the department's estimate was of the cost of these buildings, what the successful tender was and whether there was a single tender for the whole institution?

Mr. Fulton: The departmental estimate of the total cost is, I am advised, approximately $5 million. There was provided in last year's estimates $800,000 and there is provided in this year's main estimates $3,340,000. It is not feasible to build institutions of this type under one general contract or to have all phases of construction proceeding at the same time. Therefore there are a number of individual contracts let, in some cases for individual sections of the building and in other cases for the installation of the general heating plant after the building is erected and also for equipment and so on to operate the machine shops and so on. Hence, there will be a series of individual contracts.

Mr. Pickersgill: Can the minister give the committee a list of these contracts and the dates on which they were awarded?

Mr. Fulton: I shall be glad to have a list compiled and to furnish it before the conclusion of the discussion of my estimates.

Mr. Pickersgill: I should like to have some information with respect to the dormitory at St. Vincent de Paul. The Valleyfield business, of course, is just reconstruction and I should be quite satisfied if we could have the departmental estimate of the total amount of the contracts and the same for William Head and for Prince Albert. In every case I should like to know whether there was just one contract or whether there were several contracts and what the reason was in each case.

Mr. Fulton: Of course, a fair proportion of this building is being done by our own inmate labour.

Mr. Pickersgill: Of course, the minister can indicate that fact also. We have been told in another place by experts in the field of public works—and this is, of course, as Your Honour will readily appreciate, the reason why I am asking these questions—that under proper procedures, with proper building methods, the complete plan is prepared and one contract is called from one contractor for the whole of the institution and that any other way of doing things is wasteful, extravagant and wrong. We had a good deal of testimony to that effect in another place in another session of parliament. It is therefore only natural that we should be interested in finding out whether these principles that were enunciated to us are being followed by the Department of Justice.

Mr. Fulton: Of course, my hon. friend will remember that on both sides of the house there was pressure—and it was proper pressure—to institute immediate programs of work. It was our objective, which we realized in accordance, to let contracts for the construction of these buildings just as soon as plans for any particular section could be prepared and brought to the position where a contract could be let. If my hon. friend is suggesting that we should have delayed—

Mr. Pickersgill: Perhaps the hon. member will allow me to do my own suggesting.

Mr. Fulton: I think I have the floor now because the hon. member gave it to me.

Mr. Pickersgill: All right.

Mr. Fulton: If there is any suggestion that we should have delayed in the awarding of contracts and the providing of employment until the plans for the building of the whole thing were prepared I wish my hon. friend would say so. I think he will agree that would be inconsistent with the position formerly taken.

Mr. Pickersgill: I have no intention of saying anything about that matter until I have the information so that I can formulate some view as to whether or not there is any prima facie case. There were arguments made, of course, in another place, in other circumstances, about another building of precisely the same character, and for precisely the same reasons that the hon. gentleman has given now. I should think that if they were valid in one case they would be valid in the other. But their validity can be determined only by an examination of the facts and not by theory. That was, of course, the view that I took in another place. I am not making any suggestions or any insinuations. I am seeking information.

I think it would be desirable to have the same information about this conversion project at Stony Mountain which sounds as though it would be quite a large one; for the kitchen at Kingston; and for the dairy barn at Collin's Bay. I do not know about the piggery. Piggeries have an important place in the history of confederation, it is true. Perhaps it would be as well to have the information for the piggery also and for the warehouse in British Columbia. What I am seeking to point out is that here we are voting a considerable sum of money to let, as we are told, a number of contracts as soon as the plans can be drawn up in order to provide employment as quickly as possible. It is our duty here in the committee of supply to get all the information we can in order to make sure that the taxpayers' money is being spent to the best possible advantage. If we could have about all those projects information of the kind that I suggest, I think it would be very helpful to the committee.

Mr. Fulton: I cannot give the exact dates when these contracts were let, but I think this is up to March 28 of this year. Administrative building No. 1, estimated cost, $250,000; contract let for $213,000, actual cost below estimate of some $37,000.

Mr. Pickersgill: Was there one contract for that whole building?

Mr. Fulton: Yes. Hospital and chapel building No. 2 and accommodation building No. 3, let on a single contract; estimated cost $1,950,000, contract let for $1,574,000, or a saving as compared with the estimate of nearly $400,000.

Stores building No. 9 together with maintenance shop building No. 10, let as a single contract; estimated cost $230,000, contract let for $226,770.

Mr. Pickersgill: Can the minister give the dates of these contracts?

Mr. Fulton: No. I am sorry, but I have not got the dates here. I am informed that this is up to about March 28 of this year. These contracts were let since November 24, 1958, the ones I have just mentioned. Automotive building No. 11, estimated cost $140,000; contract let for $158,844; power plant, building No. 12, steam generator plant and radial brick chimney; these were originally estimated to be let in one contract for $600,000, but we have let two contracts, the

power plant building No. 12 for $225,420 and the steam generator plant and radial brick chimney for $268,194.

Mr. Pickersgill: Can the minister say why two contracts were let in this case?

Mr. Fulton: Because the building can go ahead much more quickly than the boiler plant can. The total of contracts let to date on this table is $2,666,228 and there have been six separate contracts let.

The Deputy Chairman: Shall this item carry?

Mr. Pickersgill: No. This is just the first of the many building projects about which the minister intends to give us information.

Mr. Aiken: Since we are obviously trying to fill in time until it is ten o'clock—

Mr. Pickersgill: I rise on a point of order. I asked the minister a question which really has something to do with the estimate, unlike many of the questions which have been raised by hon. members, and now we are told that we are just trying to put in time. We are trying to get information.

Mr. Aiken: I am sorry if I gathered the impression I did. However, I wonder if I might make my comments at this point. In view of the substantial building project that has been undertaken by the department—work amounting to $6 million—I want to add my words to those of the hon. member for Parkdale the other day when he urged the government to give consideration to the improvement of the probation and parole service. A great deal of probation work could be undertaken for the $6 million which is mentioned here. Even the increase in this year's vote of $1,500,000 could provide a probation service for 5,000 people. It has been shown in other systems outside Canada that a great many of the people who are actually in institutions do not need to be there and that if the proper investigations were made in the first instance a good many people would not be confined in public places. I would also ask the department to set up a parole—

The Deputy Chairman: Order. We are on vote No. 161 which pertains to construction, improvement and equipment and it would appear that the hon. member is out of order.

Mr. Aiken: I am attempting to show that instead of spending a lot of money on large building projects we could more usefully spend money on probation and parole services, and I urge that upon the minister at this time.

Mr. Pickersgill: I am sure the minister could give us a little of this information this evening, because we do not wish to waste time; we are all anxious to see the session over.

Mr. Fulton: I have provided the information for which the hon. gentleman asked with regard to St. Vincent de Paul, though I have not been able to discover what use he is able to make of that information. I have indicated I am prepared to get the other information which he wants, but the hon. member will appreciate that there is a good deal of detailed information of this kind. If he had asked earlier I might have been able to produce it, but in these circumstances it will be necessary for me to ask my officials to compile the information, and I will be glad to table it or to hand it to the hon. gentleman at any time.

Mr. Pickersgill: I must say that I am somewhat astonished that the minister should have even raised any question—

Mr. Fulton: I raised no question.

Mr. Pickersgill: The minister seems to forget the position he is in. He is responsible to this house. He is asking for large sums of public money to spend. He is a suppliant before the House of Commons, and it is precisely none of his business why we want this information. That is our business, and we are answerable to our constituents and not to the Minister of Justice as long as we continue to have a free parliament; though some of us, at times, in the light of some of the answers given from the treasury benches begin to have some doubts about that.

Mr. Bell (Carleton): That is plain nonsense.

Mr. Pickersgill: The hon. member for Carleton is an expert in nonsense, plain and varnished.

Mr. Bell (Carleton): I have been observing the hon. gentleman.

Mr. Fulton: I wish you would just give me a moment, Mr. Chairman. I well understand the reason for the hon. gentleman's outburst, but it is totally unjustified. I have not refused to obtain any information. I said I would be delighted to get the information although neither I nor any other member—perhaps I should not say "any other member"—knows what he wants it for. I realize that if the hon. member wants it I have to produce it, and I have undertaken to do so. There is no reason for the hon. member's outburst, because I have not declined to produce this information. But we get a little tired of these lectures from hon.

gentlemen opposite who forget that it was they who, over the years, showed such a disregard for parliament.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I wonder if the leader of the house would be so kind as to indicate what the revised list will be for next week?

Mr. Green: We shall commence with a supply motion on Monday and then take the business I outlined last night. When we come to take estimates we shall commence with those of the Department of Justice and then take those of the Department of Trade and Commerce.

Mr. Pickersgill: Has the minister any idea at this stage when we would start with the estimates. Would there be estimates on Thursday or would we go on with legislation on Thursday? The house is not sitting on Friday and it would be convenient to know.

Mr. Green: Mr. Speaker, I cannot say at the moment. It would depend on what progress we make with the legislation.

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

Questions

ANSWERS TO QUESTIONS

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

FEDERAL PENITENTIARIES STATISTICS

Question No. 102—**Mr. Howard:**

1. As of December 1, 1958, what was the aggregate inmate population in each of the penitentiaries under federal jurisdiction?

2. Of these, how many have been classified as mentally ill, upon what date was each classification made, and what hospital and security facilities are available for them?

3. During the past five years have any difficulties been experienced in transferring mentally ill inmates to mental hospitals, and if so, what are the details surrounding these difficulties?

4. What is the aggregate number of cells available in each penitentiary?

5. Are any dormitories used, and if so, with respect to each penitentiary?

(a) As of December 31, 1958, how many inmates were sleeping in dormitories?

(b) Were any corridors or other similar area used, temporary buildings constructed, shop space or other buildings converted for such dormitories and what are the details in each case?

6. For each month during the past five years how many inmates in each penitentiary were sentenced by penitentiary officials to (a) the lash; (b) the paddle, and how many lashes or paddles were given in each case and what was the offence?

7. During the past five years have any inmates (a) attempted, or (b) committed, suicide, and if so, how many in each case, what method was used and were any of these mentally ill?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. Dorchester, 741; federal training centre, 427; St. Vincent de Paul, 1,366; Kingston, 1,135; Collin's Bay, 463; Manitoba, 465; Saskatchewan, 688; British Columbia, 755; Newfoundland, 24. Total: 6,064.

In addition there were 70 inmates carried on the registers who were outside; 58 were in provincial mental hospitals; 4 were hospitalized for medical treatment under temporary ticket of leave; 8 were out by court order.

2. There were 13 inmates who had been classified as mentally ill as of December 1, 1958. Eight have since been admitted to provincal mental hospitals and five have recovered sufficiently to be retained in the penitentiaries. While awaiting transfer inmates are under care and supervision in the penitentiary hospitals.

3. In several provinces there has been some delay from time to time in accepting mentally ill patients due to overcrowding in the provincial mental hospitals.

4. Dorchester, 775; federal training centre, 108; St. Vincent de Paul, 1200; Kingston, 939; Collin's Bay, 382; Manitoba, 494; Saskatchewan, 679; British Columbia, 594. Total: 5171.

5. Permanent dormitories have been constructed at the following institutions—Joyceville, 48 beds; federal training centre, 400 beds (6 beds per room); Collin's Bay, 2 dormitories (50 beds each); Kingston, 1 dormitory (42 beds); St. Vincent de Paul, 1 dormitory (120 beds); British Columbia, 2 dormitories (58 beds each). Total: 826.

(a) As of December 31, 1958, 1171 inmates were sleeping in dormitories.

(b) Temporary dormitories either in shop space or corridors to accommodate the numbers shown were in use at the following institutions—Dorchester, 13; St. Vincent de Paul, 122; Kingston, 184; Saskatchewan, 60; British Columbia, 94; Collin's Bay, 8.

6. From fiscal year 1953-54 to and including 1957-58: (a) None; (b) Following.

"A"

Fiscal Year 1953-54

Dorchester, 1 (a); federal training centre, 11 (b); St. Vincent de Paul, 4 (c); Kingston, 4 (d); Saskatchewan, 2 (e).

(a) Offence: Escaping legal custody, 7 strokes.

(b) Offences: 6 cases, gross indecency (5 strokes respectively); 3 cases, collective mass defiance of constituted authority (2 inmates, 10 strokes; 1 inmate, 5 strokes); 2 cases, refusal to comply with orders in presence of others and causing disturbance (5 strokes).

(c) Offences: 3 cases, assaulting an officer (10, 8, 5 strokes respectively); 1 case, while in dissociation cell caused a disturbance and induced others to do likewise (8 strokes).

(d) Offences: 3 cases: threatening an officer (5 strokes respectively); 1 case, destroying government property while in dissociation cells (5 strokes).

(e) Offences: 1 case, attacking an inmate with a knife (6 strokes); 1 case, attacking a young inmate and threatening language to an officer (8 strokes).

"B"

Fiscal Year 1954-55

Dorchester, 3 (a); federal training centre, 44 (b); St. Vincent de Paul, 4 (c); Kingston, 7 (d); Collin's Bay, 1 (e); Saskatchewan, 2 (f); British Columbia, 9 (g).

(a) Offences: 3 cases, escaping legal custody (7, 6, 6 strokes respectively);

(b) Offences: 4 cases, plotting to escape (5 strokes respectively); 40 cases, for participating in a major disturbance, causing heavy damage to government property in

August, 1954, and personal violence to either officers or inmates (14 received 10 strokes; 1 received 9; 20 received 7; and 5 received 5).

(c) Offences: 2 cases, assaulting an officer (8 and 5 strokes); 2 cases, wilfully flooding their cells and breaking government property (5 strokes).

(d) Offences: 1 case, wilfully destroying government property (5 strokes); 1 case, inciting collective action or disturbance and damaging government property (10 strokes); 1 case, persistent refusals to go to work over a period of time (7 strokes); 4 cases, while in segregation in east cell block raised a collective disturbance, and destroying government property (2 received 15 strokes; the others, 10 strokes).

(e) Offence: stabbing an inmate with a knife (5 strokes).

(f) Offence: assaulting an officer (10 strokes and 6 strokes respectively).

(g) Offences: 1 case, gross personal violence to an officer (8 strokes); 5 cases, inciting others to a disturbance and destroying government property (6 strokes in each case); 1 case, threatening an officer with a water bucket (6 strokes); 1 case, destroying government property (6 strokes); 1 case, offensive language to an officer and destroying government property (6 strokes).

"C"

Fiscal Year 1955-56

Federal training centre, 9 (a); St. Vincent de Paul, 8 (b); Kingston; 1 (c); Saskatchewan, 19 (d).

(a) Offences: 1 case, causing a major disturbance (5 strokes); 4 cases, threatening action to officers, insolence, inciting others to do likewise (3 received 5 strokes, 1 received 8 strokes); 1 case, refusing to obey orders and threatening officers (7 strokes); 1 case, threatening an officer with a knife, causing bodily wounds to an inmate (8 strokes); 1 case, conduct to the prejudice of good order and discipline, damage to government property (6 strokes); 1 case, while in dissociation refused orders, insolence, causing other inmates to make noise (6 strokes).

(b) Offences: 4 cases, assaulting an officer (1 received 10 strokes, 1 received 6 strokes, and 2 received 5 strokes); 1 case, escaping custody in a row boat (6 strokes); 1 case, assaulting an inmate and destroying government property (5 strokes); 1 case, inciting others to cause a disturbance (8 strokes); 1 case, violence to an officer and spitting in his face (7 strokes);

(c) Offence: assaulting an officer (7 strokes).

(d) Offences: 3 cases, creating a disturbance and damaging government property (8 strokes); 8 cases, in connivance with others did cause a serious disturbance in the range against good order and discipline (7 received 4 strokes; 1 received 5 strokes); 3 cases, gross insubordination requiring extraordinary means (1 received 5 strokes and 2 received 8 strokes); 2 cases, grossly offensive language to an officer during a disturbance (8 strokes, 4 strokes); 1 case, assaulting an officer (6 strokes); 2 cases, grossly offensive language to an officer and damaging government property (10 and 8 strokes).

"D"

Fiscal Year 1956-57

Dorchester, 13(a); federal training centre, 5(b); St. Vincent de Paul, 1(c); Saskatchewan, 8(d); British Columbia, 6(e).

(a) Offences: 13 cases, engaging in collective action and disturbance with other inmates to the prejudice of good order and discipline and safety to the institution. (9 received 10 strokes; 4 received 4 strokes).

(b) Offences: 2 cases, act of gross indecency (6 strokes); 1 case, threatening officers with a knife (6 strokes); 1 case, disrupting good order and discipline by inciting others to follow suit (6 strokes); 1 case, while under dissociation, incited others to cause a disturbance (6 strokes).

(c) Offence: assaulting an officer (5 strokes).

(d) Offences: 2 cases, escaping legal custody (6 strokes); 3 cases, wilfully damaging government property (2 received 7 strokes; 1 received 6 strokes); 2 cases, gross personal violence to an officer (7 strokes); 1 case, causing a disturbance while in dissociation and destroying government property (7 strokes).

(e) Offences: 4 cases, assaulting an officer (15, 8, 8, and 5 strokes respectively); 1 case, stabbing another inmate with a knife (6 strokes); 1 case, wilfully destroying government property (5 strokes).

"E"

Fiscal year 1957-58

Dorchester, 1(a); St. Vincent de Paul, 3(b); Kingston, 2(c); Collin's Bay, 4(d); British Columbia, 3(e).

(a) Offence: assaulting an officer (10 strokes).

(b) Offences: 3 cases, assaulting an officer (10 strokes, 6 strokes and 5 strokes respectively).

(c) Offences: 1 case, attacking an officer with a razor blade (6 strokes); 1 case, wilfully destructive of government property and threatening action towards officer (8 strokes).

(d) Offences: 4 cases, assaulting an officer (8, 6, 6 and 5 strokes respectively).

(e) Offences: 2 cases, attempting to escape (5 strokes respectively); 1 case, assaulting an inmate (5 strokes).

7. (a) 17 (8 were mental cases). Method: hanging 10; drinking Brazilian oil, 1; slashing wrist or throat, 6.

(b) 20 (13 were mental cases). Method: hanging 17; swallowing sharp object, 1; slashing throat, 1; swallowing barbiturates, 1).

BEECHWOOD LOAN—INTEREST CHARGES

Question No. 467—**Mr. McWilliam:**

What is the total amount that will be paid in interest charges on the $29.5 million Beechwood loan, estimated on the basis that all payments as to principal and interest will be met on due dates?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

Including the payment already made on April 8, 1959—$5,371,867.88.

[The following items were passed in committee of supply]:

DEPARTMENT OF JUSTICE

A—Department—

149. Departmental administration including annual contribution of $200 to the conference of commissioners on uniformity of legislation in Canada, $741,825.

150. Parole Act administration, including $60,000 for grants to recognized prisoners' aid societies as may be approved by treasury board, $344,531.

Supreme Court of Canada—

151. Administration, $218,599.

Exchequer Court of Canada—

152. Administration, $131,898.

Northwest Territories—

153. Administration of justice in the Northwest Territories, including the Northwest Territories territorial court, $107,440.

Yukon Territory—

154. Administration of justice in the Yukon Territory including the Yukon territorial court, $123,397.

155. Payments of gratuities to the widows or other dependents of judges who die while in office, $20,000.

Combines Investigation Act—

156. Restrictive trade practices commission, $86,110.

157. Office of investigation and research, $452,109.

158. Bankruptcy Act administration, $52,620.

B—Penitentiaries—

159. Administration of the office of the commissioner of penitentiaries, including $75,000 for grants to recognized prisoners' aid societies, as may be approved by the treasury board, $572,678.

160. Operation and maintenance of penitentiaries, including supplies and services relating thereto; administration, operation, repair and upkeep of buildings, works and equipment; maintenance, discharge and transfer of inmates; compensation to discharged inmates permanently disabled while in penitentiaries, $12,705,059.

A—Department—

523. Departmental administration—further amount required, $49,565.

524. Parole Act administration—further amount required, $144,900.

Northwest Territories—

525. Administration of justice in the Northwest Territories, including the Northwest Territories territorial court—further amount required, $3,300.

B—Penitentiaries—

526. Administration of the office of the commissioner of penitentiaries—further amount reqquired, $24,422.

527. Operation and maintenance of penitentiaries, including supplies and services relating thereto; administration, operation, repair and upkeep of buildings, works and equipment; maintenance, discharge and transfer of inmates; compensation to discharged inmates permanently disabled while in penitentiaries—further amount required, $932,918.

HOUSE OF COMMONS

Monday, June 22, 1959

The house met at 2.30 p.m.

MISCELLANEOUS PRIVATE BILLS

Sixteenth and seventeenth reports of standing committee on miscellaneous private bills —Mr. McCleave.

FISHERIES

EXPRESSIONS OF SYMPATHY ON NEW BRUNSWICK STORM DISASTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, all Canadians have been shocked to learn of the disaster which occurred over the week end along the east coast of New Brunswick in the Miramichi area, when a sudden and violent storm struck with ferocious intensity. While it is impossible to know exactly how many fishermen were at sea that night over the long coastline, reports indicate that probably 40 or 50 boats were involved carrying some 80 to 100 men. When the storm struck the R.C.A.F. search and rescue unit was immediately ordered into action and it is continuing to co-ordinate the search by boats and planes available from the R.C.A.F., the R.C.M.P. and the Department of Fisheries in that area.

The latest reports show that 13 bodies have been recovered, and it is feared that the death toll may well exceed 30. The search and rescue work will continue until all hope must be abandoned.

I know I speak for all members of the house when I ask them to join me in extending the deepest sympathy to all those who have been bereaved and have suffered loss in this terrible tragedy of the sea.

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, it is with a heavy heart that I rise to join the Prime Minister and all other members of the house in expressing the deepest and most heartfelt sympathy to the fishermen and their families of my constituency in the loss of many loved ones. As the Prime Minister has pointed out, it was a very great tragedy, one that has struck to the very core of the small fishing areas of Miramichi bay. At the same time I should like to pay tribute, as I know the house would, to the deeds of heroism performed by the fishermen who survived. May I also pay tribute to the search and rescue people who are playing a valiant role in trying to locate bodies, and also any fishermen who may still be alive. I express this sympathy and appreciation on behalf of the constituents whom I represent. Practically all the fishing gear and boats that have been lost were the property of fishermen of my constituency.

I should like to read a telegram I received this morning. It is addressed to me at the House of Commons and reads as follows:

> Disaster Saturday at Escuminac must be treated as urgent. Immediate action for assistance for families of victims and to assist those fishermen who survived but lost all equipment is urgently required.

The telegram is signed by Mr. Graham Crocker, a man well qualified to assess the situation and who has been closely connected with the salmon fishermen throughout the years. On that note I should like to appeal to the Prime Minister and the cabinet to render every assistance possible as quickly as they can to relieve the suffering these people are undergoing. I suggest to the Prime Minister that possibly something could be done under the Canadian disaster relief fund to bring some relief to these stricken fishermen.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, we wish to join with the Prime Minister and the hon. member for Northumberland-Miramichi in expressing our great sympathy to the loved ones of those who have been lost, and to support the request of the hon. member for Northumberland-Miramichi that everything be done that can be done to assist these unfortunate Canadian citizens.

Mr. Diefenbaker: Mr. Speaker, the suggestion made by the hon. member for Northumberland-Miramichi naturally has a very strong appeal. I think it might be well if the minister representing New Brunswick had a word to say.

Hon. A. J. Brooks (Minister of Veterans Affairs): Mr. Speaker, there is nothing I can add to the sentiments that have been expressed here this afternoon with regard to the very tragic loss which has been suffered by the fishermen of the province of New Brunswick. I know the area that the hon. member for Northumberland-Miramichi represents quite well. This is one of the greatest tragedies that has occurred to the fishermen of the Atlantic provinces in many years. Unfortunately there is nothing we

can do to bring back to life those very brave men who had been obtaining a livelihood for themselves and families from the sea for many years.

The hon. member for Northumberland-Miramichi has expressed the hope that something will be done in a material way to help restore the equipment and gear lost by these courageous men and their families. I feel that on behalf of the government, following what the Prime Minister has just stated, that everything possible will be done to see that help is given these needy families in the way of restoring equipment and gear. I feel that I am expressing not only the feeling of the people of Miramichi and Northumberland, but also the hopes and wishes of the people of the province of New Brunswick.

UNITED NATIONS

WORLD REFUGEE YEAR—STATEMENT ON CANADIAN PARTICIPATION

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, hon. members will recall that the United Nations general assembly decided at its 13th session last autumn to establish a world refugee year. Canada was one of the 59 countries which voted in support of this resolution, which urged countries to co-operate in promoting world refugee year as a practical means for securing assistance for refugees throughout the world.

I am sure all hon. members will welcome, as does the government, the opening of world refugee year which will begin in Canada on Sunday, June 28. About 40 countries will be participating in the program of world refugee year.

Throughout the world, in the United Kingdom, the United States, France, New Zealand and elsewhere, national voluntary committees for world refugee year have been established, and a Canadian committee for world refugee year has also been formed with headquarters in Toronto. This committee, composed of distinguished individuals and representatives of interested organizations, I understand, has as its objective the raising of funds from the public for refugee causes. On behalf of the government I should like to take this opportunity to wish the committee every success in its humanitarian endeavour.

The Canadian government has participated regularly in all the United Nations relief programs, and recently it has increased some of its contributions in the hope of hastening solutions where they are possible. There is the program of the United Nations high commissioner for refugees, who has under his mandate 135,000 refugees in Europe who are still not settled 14 years after the close of world war II. Over 25,000 of these refugees are living in camps in conditions which render still more urgent their need for social and spiritual rehabilitation. As you know, this government has increased this year's contribution to the high commissioner to the level of $290,000 to facilitate closing these camps.

Today there are almost a million refugees in the Middle East and almost another million are crowded into the tiny area of Hong Kong. However difficult it may be to foresee an early solution to these problems, it is necessary that these refugees be fed and housed and, above all, that their hopes be kept alive. As far as possible, these refugees must be helped to become self-sufficient, if only so they may be self-respecting.

As you know, the United Nations relief and works agency has been established for Palestine refugees in the Near East. In addition to our regular cash contribution of $500,000 annually this government has, in response to urgent appeals from the agency, contributed a total of $3 million worth of Canadian wheat flour to this agency in the last two years. I would also remind members of the 8,000 European refugees in China, whose pilgrimage to a new home began after the Russian revolution of 1917. New homes abroad have already been promised to many of these refugees, and only the necessary funds are needed to complete their tragic odyssey around the world. This house will soon be asked to approve a contribution of $60,000 to this program.

All in all, this government has contributed $1,650,000 in cash to United Nations refugee programs over the last two years, and a further $3 million worth of food. In addition, large quantities of dried skim milk have been made available free of charge for distribution abroad by voluntary relief agencies. Finally, I need hardly refer again to the hundreds of thousands of refugees who have been accepted by Canada as new citizens.

The Canadian government has given continuous attention to refugee problems. It is, therefore, particularly happy to welcome world refugee year as a means whereby every Canadian can be encouraged to play his part in helping these unfortunate people. We must accept the opening of this year as a challenge; a challenge to the government, to voluntary agencies and to the general public.

The government is now considering the special contributions which it will make to the program of world refugee year. We are giving particular attention to the possibility of a scheme whereby a limited number of tubercular cases might be admitted to

Canada, together with their dependants, and given treatment in Canadian institutions. Assisting these tubercular cases to be cured and to re-establish themselves would be a valuable contribution to the solution of that most difficult and most tragic of all refugee problems, the residual or so-called hard-core cases of handicapped persons. Such a scheme will, of course, call for close consultation with the provinces, which are responsible for the institutions which would receive the cases.

We shall also take advantage of the summer recess to examine what further financial contributions might be made to the refugee effort. Members of this house can likewise play a useful role. I am sure they will join with me now in welcoming the inauguration of world refugee year. In particular we welcome the formation of the Canadian committee for world refugee year as a spontaneous public response to this important challenge.

Hon. Paul Martin (Essex East): Mr. Speaker, I am sure that all members of the house welcome the general statement which the Secretary of State for External Affairs has just made. As he has observed, Canada should support the action taken at the United Nations to mark this year as world refugee year, thereby calling the attention of its members and of the peoples of the world generally to this hard-core problem of refugees. It will be remembered that at the end of the war Canada took a very active part and a highly important initiative in the formation of the international refugee organization, so that from the beginning it could be said that this country has demonstrated its interest in a problem that touches humanity and all nations.

In marking this refugee year I think it also desirable that we should determine to liquidate this problem for all time. The minister has noted that a national voluntary committee has been set up with headquarters in the city of Toronto. The Secretary of State for External Affairs will not take it amiss if I say that it may be necessary, as indeed he himself in the concluding part of his observations has indicated, to do more than set up a national voluntary committee. That committee will likely require the active support of the government of Canada. As he has suggested, one of the ways by which this could effectively be done would be to permit the entry into Canada of some of these stateless and homeless people who have been the victims of the policies of certain governments in alienating them from their homes and confronting them with the misery which has been theirs now for such a long time.

The minister also mentioned the Palestine refugees, some 1 million in number, whose welfare has been provided for again by the United Nations through the United Nations works and relief agency, operating as it does in Jordan and in the Gaza strip, to mention two chief areas of their work, an organization which Canada has supported with great devotion and with a sense of responsibility. It is significant that the work of UNWRA comes to the end of its formal assignment in 1960. While the minister did not indicate it, I am sure the government of Canada will give consideration to the prolongation of this work if that agency is regarded at the time as the most effective instrument for dealing with this additional serious problem.

The minister indicated that one of the gestures and one of the constructive proposals to which the government is giving consideration in co-operation with the provinces, who have the primary responsibility in this matter, is allowing the entry of tubercular refugees. In view of the fact that the government of Canada does contribute very large sums of money by way of assistance in tuberculosis control the interest of the government in this matter is understandable. I think it would also be important to recognize that apart altogether from the admission of individuals suffering from tuberculosis, consideration might be given in the name of humanity itself to the admission of some of these refugees who do not have this particular disability. In that connection I am sure the Minister of Citizenship and Immigration will give consideration to the fact that many of these people for many reasons could not qualify for admittance on the usual grounds now prescribed in the existing regulations and orders in council.

The government has said it will give consideration to helping financially to try to resolve this hard-core group of refugees. That, I think, is a consideration. More particularly it is a consideration which will be followed by an act that I am sure will meet with ready response on the part of the Canadian people, recognizing that in this way the people and the government of Canada are making their contributions to a problem that in the final analysis can only be resolved by collective effort.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, having had a long time interest in and concern for the refugee problem, the members of this group listened with great interest to the minister's statement, particularly to that sentence when he said, "This presents a challenge to the government of Canada and to the people of Canada." We in this group hope the government gives

a good lead to the people of Canada by accepting the challenge in full and by admitting not only some of these people who suffer from tuberculosis, but by permitting some of the aged and some who suffer from other diseases to come to this country and enjoy the advantages of life here.

The proclamation of world refugee year is in our opinion a most commendable step, as it will help to direct public attention throughout the world to the tragic plight of many millions of refugees in Europe and in Asia, refugees who have been living in camps since the end of the war, many of them sick, handicapped or aged, largely forgotten by the more fortunate people of the world. In our opinion, Mr. Speaker, this world proclamation will provide the basis for a renewal of hope in the hearts of these long suffering victims of war and they have been long suffering. They have suffered years of destitution and despair while we have enjoyed abundance, hope, health and happiness.

This common effort on the part of the government and people of Canada demonstrates our common humanity. It is an effort which should restore flagging spirits and rebuild weakened bodies and broken lives. This contribution by the government of Canada and by the people of Canada, if they meet their full responsibilities, should be considerable from our horn of plenty.

POLYMER CORPORATION

ANNOUNCEMENT OF SETTLEMENT OF STRIKE

Hon. Ellen L. Fairclough (Acting Minister of Labour): Mr. Speaker, in the absence of the Minister of Labour, and in view of the interest shown by hon. members on both sides of the house, I am pleased to be able to announce that the dispute at the Polymer plant in Sarnia has now been settled.

Officials of the Department of Labour have informed me that the commissioner of inquiry, Mr. Eric Taylor, met with both parties until an early hour this morning, when all substantial matters in dispute were mutually resolved.

SEEDS ACT

MEASURE RESPECTING TESTING, INSPECTION AND SALE

Hon. George C. Nowlan (for the Minister of Agriculture) moved the first reading of Bill No. S-24 (from the Senate), respecting the testing, inspection and sale of seeds.

Motion agreed to and bill read the first time.

[Mr. Herridge.]

PRISONS AND REFORMATORIES ACT

AMENDMENTS RESPECTING TRANSFER OF OFFENDERS, ETC.

Hon. E. D. Fulton (Minister of Justice) moved the first reading of Bill No. S-26 (from the Senate), to amend the Prisons and Reformatories Act.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

GENEVA CONFERENCE—STATEMENT RESPECTING ADJOURNMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he has any statement to make to the house on what we all hope is the temporary break-up of the foreign ministers' conference at Geneva.

Hon. Howard C. Green (Secretary of State for External Affairs): Yes, Mr. Speaker. Hon. members will have seen from the press that the foreign ministers' conference in Geneva has been adjourned until July 13. I point out that it has not broken up, as the Leader of the Opposition suggested. Since the proceedings have been fully reported in the press I shall not review the six weeks' conference in detail.

In my opinion, in assessing the position today the interval should not be regarded as a period of crisis but as an opportunity for re-examination of the position. As the foreign ministers of France, the United Kingdom and the United States pointed out in the statement they issued at the conclusion of the conference, this interval will give the Soviet government the opportunity of considering the western proposals further, and will give the western governments the opportunity to consider the position, particularly in relation to Mr. Khrushchev's Moscow speech of June 19. That pronouncement of the Soviet leader was not encouraging. He reiterated his demand for a peace treaty with the two parts of Germany, a procedure which would further hinder reunification, and he also proposed a time limit on efforts to achieve an agreed solution of the Berlin problem. In so doing he again stated that the Soviet union would sign a separate peace treaty with East Germany, with implied termination of western occupation rights, if agreement had not been reached on the Berlin problem at the end of that time.

At the time of recess the Soviet government had before it the offer of the western

powers to make certain modifications in the Berlin situation to meet the concerns expressed by the Soviet union. These included limitations on the strength and armament of the armed forces stationed there and the suggestion that reductions could be made; the formation of a four-power commission to settle disputes on rights of access; the possibility that without prejudice to existing responsibilities, procedures relating to access could be carried out by German personnel; and finally, measures to avoid in both parts of Berlin activities which might be disturbing to the other side.

The Canadian government commends the willingness the western powers have thus shown to accept adjustments in the existing arrangements while at the same time making clear their determination not to abandon western rights or forsake the people of West Berlin. Hon. members will have noticed in the press last week reports of the speech which the right hon. Prime Minister made in Princeton, in which he reiterated the view of the Canadian government that in this thermonuclear age differences between east and west must be resolved by negotiation. It has been with satisfaction that the Canadian government has watched the patient and determined efforts of the three western powers at Geneva to find some acceptable basis for continuing the negotiations, and it is gratifying that an early and fixed date has been selected for resumption of the foreign ministers' conference.

Whether on the resumption of the conference it will be found that there is a suitable foundation for a continuation of the negotiations will depend largely on the attitude of the Soviet union. As to the possibility of the heads of government meeting taking place, it is too soon to say whether it is likely that such a meeting will be held. The negotiations so far have served to demonstrate to the Soviet union that the western powers are serious, determined and united on the question of Berlin, but it is the view of this government that the search must be continued for a framework within which a settlement can be reached. We should not be turned aside from this search or deflected from our purpose and policy by provocative statements from the other side. It is possible that an intensive re-examination by the western powers of what the Soviet representative said during the conference, both in private sessions as well as in the plenary meetings, will reveal certain points that could be usefully pursued.

The Canadian government is therefore prepared during the period of recess to participate in the examination of what has taken place in Geneva which will be carried out within the NATO council. In so doing the Canadian position will be based on the principles enunciated by the right hon. Prime Minister in the house on April 7, 1959, when he stated that no agreement could be acceptable to the west which placed in jeopardy the security of Berlin, the freedom of its citizens, or which might have the effect of foreclosing the prospect of reunification of Germany.

ST. LAWRENCE SEAWAY

WELLAND CANAL—STATEMENT ON LOCK DAMAGE CAUSING TIE-UP

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Transport, notice of which I have sent to him. Would the minister comment on the most recent tie-up of boat traffic in the Welland canal and the extent of damage to the canal lock causing the tie-up? Also, would he express an opinion as to when we might expect that both upbound and downbound traffic will be resumed?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for having sent me notice of his intention to ask this question. At about ten o'clock Saturday evening it was found that at lock 4 the lower west sill of the east lock was split and twisted, the assumption is, due to water pressure. The lock became inoperable. New timber and new concrete are being placed as rapidly as possible. It is expected that the work will be completed by nine o'clock tonight, but in order to give time for the setting of the new concrete, upbound traffic only will be run for the next 24 hours.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a supplementary question to the Minister of Transport. Has any consideration been given and has any progress been made in connection with the new facilities for the improved movement of ships through the Welland canal, which were mentioned during the consideration of the minister's estimates?

Mr. Hees: Yes. Those facilities are receiving very active consideration, but as the hon. member for Laurier well knows it will be impossible to put in those additional facilities until the end of this present shipping season.

Inquiries of the Ministry

(Translation):

ROYAL VISIT

STATEMENT AS TO PRINTER OF ENGLISH LANGUAGE BROCHURE

On the orders of the day:

Hon. Henri Courtemanche (Secretary of State): Mr. Speaker, last Friday, the hon. members for Shefford (Mr. Boivin) and for Hull (Mr. Caron) inquired as to who printed the program of the royal visit. We have been informed by the secretary of the program committee for the royal visit that both the English and the French versions of that program were printed by the queen's printer. Unfortunately, the queen's printer imprint was inadvertently omitted in the English version.

(Text):

POWER

COLUMBIA RIVER—PROPOSED UNOFFICIAL STUDY BY U.S.-CANADIAN COMMITTEE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources in order to satisfy my abounding curiosity. My question is based on a newspaper item in this morning's *Gazette* to the effect that the national planning association of the United States and the private planning association of Canada announced yesterday that a 60-member committee selected from the two associations is to study the division of power and flood control benefits and "principles which should govern the selection and timing of projects". The aim of the study is stated to be to indicate the nature of the benefits which can be derived from co-operative development of the Columbia river basin.

Can the minister give the house any information with respect to the status, purpose and personnel of this organization?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, the hon. member was good enough to give me notice of his question this morning. I was able to discover that the private planning association of Canada and the national planning association of the United States formed a Canadian-American committee without official status about two years ago. Their purposes were to study various aspects of Canadian-United States relations. This group consists of approximately 60 members with equal representation from the two nations, and includes a broadly diversified group of leaders in business, labour, agriculture, education and so on. This is undoubtedly the 60-member group to which the newspaper dispatch refers. I looked up one of my own documents and I find that this same group have published a pamphlet entitled, "Wheat Surpluses and Their Impact on Canada-United States Relations". On pages 51 and 52 a complete list of their members is given. If the hon. member has not a copy I will lend him my personal copy.

Mr. Herridge: A supplementary question. Has this group made any representations to the government of Canada on any subject they have studied?

Mr. Hamilton (Qu'Appelle): Not to my knowledge, Mr. Speaker.

Hon. Howard C. Green (Secretary of State for External Affairs): May I add to that answer that there have been no representations made to the Department of External Affairs.

FISHERIES

NEW BRUNSWICK—METEOROLOGICAL SERVICE AND WEATHER FORECASTS FOR FISHERMEN

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I have two questions which I should like to address to the Minister of Transport, which he can take as notice and give a complete answer tomorrow. What specific meteorological service is provided to fishermen warning them of approaching storms? Was a specific warning given with regard to the sudden storm which hit the Northumberland strait area on Friday evening last and resulted in one of the worst disasters in the history of Canadian fisheries?

In asking these questions, Mr. Speaker, I should like to emphasize the importance of improving, if possible, the weather forecasts made available to fishermen. In his answer tomorrow will the minister comment on the 5 p.m. forecast known as "The Fishermen's Broadcast", which to my own observation is a little late in the day to benefit what we call the inshore fishermen.

Hon. George H. Hees (Minister of Transport): I will take these questions as notice and give an answer tomorrow, Mr. Speaker.

TRANSPORT

ICEBREAKER "ALEXANDER HENRY"—INQUIRY AS TO LOCATION AND CONTROL

On the orders of the day:

Mr. E. A. Winkler (Grey-Bruce): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the minister in a position to supply any information

regarding the location and control of the icebreaker *Alexander Henry*, particularly as it affects the Georgian bay area?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. The marine agency supply vessel and icebreaker *Alexander Henry* has been constructed for use in the upper great lakes, and will be based in the Parry Sound marine agency.

SHIPPING

MONTREAL-KINGSTON—ANNOUNCEMENT OF APPROVAL OF PILOTAGE DUES

On the orders of the day:

Hon. George H. Hees (Minister of Transport): On Thursday last the hon. member for St. Denis referred to the question of pilotage dues in the Montreal-Kingston pilotage district and asked why the pilotage dues had not been approved by the governor in council. I may say that I have signed an amendment to the by-laws of this pilotage district, and it was submitted to the governor in council and passed this morning.

Mr. W. H. McMillan (Welland): Mr. Speaker, the Minister of Transport referred to the pilotage fees in the St. Lawrence-Kingston areas. Do the same fees apply to the Welland canal and the Detroit river areas?

Mr. Hees: No; these are separate areas.

AIRPORTS

GANDER—STATEMENT ON TOURIST LANDING FEES

On the orders of the day:

Hon. George H. Hees (Minister of Transport): On Friday last the hon. member for Bonavista-Twillingate (Mr. Pickersgill) asked whether landing fees for tourist aircraft at Gander had been increased. I am advised that there has been no recent increase in landing fees for tourist or any aircraft. The last increase was on July 1, 1957, when landing fees were increased and a new category entitled "trans-border landing fees" was introduced.

AGRICULTURE

PORK—REPORTED SALE TO CZECHOSLOVAKIA

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has he any statement to make to the house concerning the reported sale of surplus canned pork by the Canadian government to Czechoslovakia?

Inquiries of the Ministry

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, we have been negotiating with several European countries for some time in an effort to dispose of some of the surplus pork which the stabilization board has held, and particularly from the point of view of attempting to get back into the European market, as far as pork and other agricultural products are concerned. Last week arrangements were made to sell about 2,200,000 pounds of pork to Czechoslovakia. This is to some extent in the nature of what you might call a trial shipment and we hope that as a result—we are quite sure the pork will be found satisfactory—we shall be able to sell in constantly increasing quantities pork and other agricultural products in the European market.

Mr. McIlraith: A supplementary question. In view of the lateness of the session and the inability to put written questions on the order paper concerning such sales, would the minister advise the house when these sales go through, as to the quantities and the prices.

Mr. Harkness: Mr. Speaker, I do not think it has ever been customary for the stabilization board or me, as minister in charge of that branch of the Department of Agriculture, to advise the house of every sale we make, because we are making sales daily, and it would just take up a great deal of the time of the house without any good purpose being served.

(Translation):

FINANCE

INDUSTRIAL BANK—REPORTED REFUSAL TO GRANT HOLIDAY

On the orders of the day:

(Page 4993)

Mr. Azellus Denis (St. Denis): Mr. Speaker, I want to ask the Minister of Finance a question. I am informed that the directors of the industrial bank in Montreal are refusing to grant any leave to their employees on the occasion of Saint-Jean-Baptiste day, which is a legal holiday in the province of Quebec. Would the minister check if that information is accurate and, if so, give relevant instructions and inform the house?

(Text):

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the industrial development bank is a subsidiary of the Bank of Canada, and while it is responsible to parliament, it is not responsible to the government or to the Department of Finance. I can only make inquiries and obtain for the hon. gentleman the information which I am sure any hon. member could obtain.

ATOMIC ENERGY

CLARIFICATION OF REMARK IN DEBATE ON JUNE 19

On the orders of the day:

Mr. Speaker: May I make an explanation about the supplementary question of the hon. member for Bruce (Mr. Robinson) on Friday last about the possibility of locating the proposed atomic energy board plant in the Bruce peninsula. What I said may have been misinterpreted. I did not intend to imply that the hon. member did not have a serious interest in this matter, nor that there was any impropriety in pursuing the interests of his constituency. My concern was only with procedure.

(Translation):

POSTAL SERVICE

MONTREAL—REPORTED DELAY IN MAIL DELIVERY

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I ask the Postmaster General a question?

I am informed that a letter postmarked New York June 10 did not reach the addressee in Montreal until June 15, five days later. The addressee was Mr. N. H. Hartogson, 4521a Hutchison, Montreal. Would the minister inquire into the cause of this delay, or does he feel that this five day delay constitutes improved postal service which can be credited to his administration?

Hon. W. M. Hamilton (Postmaster General): Unfortunately, Mr. Speaker, I do not know the details concerning each of the 10 million letters which are delivered daily by the postal service, but I shall look into the matter and give the hon. member the particulars.

Mr. Denis: A supplementary question, Mr. Speaker. Were there not also 10 million letters being delivered daily when the hon. minister was in the opposition and was critical of the Postmaster General of the day?

Mr. Hamilton (Notre Dame de Grace): Yes, Mr. Speaker, there were, but I never asked the house any question calling for such particulars.

(Text):

SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

MALTON LAND EXPROPRIATION—CONDUCT OF MEMBER FOR PEEL

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the house will not be surprised when I inform you, sir, that we are proposing today an amendment to the motion to go into supply in order to deal with a subject matter which we attempted to put before the house earlier as a motion which we thought affected the privileges of the house.

On Friday last, Mr. Speaker, you stated, in the decision you gave at that time, that no barrier was being raised to the presentation of this matter on another occasion under different circumstances from those which governed the motion before you at that time. Indeed, Mr. Speaker, you suggested that the subject matter could be brought before the house on the next motion to go into supply. Normally this is not the kind of subject matter that should take up one of the six supply motions to which we are permitted to move amendments; but in these special circumstances, though we might have wished to put forward another and more general subject for discussion, we feel that we must deal with this particular matter. If the motion before you last Friday, which you decided could not be treated as one affecting privilege and should go on the order paper in the normal way, could have been dealt with in that form then it would not have been necessary to deal with it on a supply day. The Prime Minister did not find it possible to arrange for a discussion of the motion in that form, but he had second thoughts and suggested that the business of the house might be rearranged in order to deal with this matter on a supply motion today.

The notice of motion which I placed on the order paper earlier embodied certain affirmations contained in a judgment of the president of the Exchequer Court of Canada. It concluded with a request that a committee be established, or the committee on privileges and elections be used, to examine certain actions of the hon. member of this house mentioned in that judgment and that this committee, having looked into the question, should report whether the conduct mentioned in these findings was in accordance with the dignity of parliament.

That notice of motion, Mr. Speaker, accurately reflected in its terms certain affirmations contained in the judgment. No member on the government side has alleged that the notice of motion which we put on the order paper had in the slightest particular departed from the statements made and the conclusions drawn in this judicial document. As a matter of fact, Mr. Speaker, in your statement last Friday you recommended the notice of motion to the house as a fair and equitable summary of this judicial document, and I believe that is a good indication of the fair manner in which we have proceeded in our efforts to discuss this matter.

The conclusions in your ruling last Friday, Mr. Speaker, confirm our own view that we were on solid ground in arguing that the conduct of a member could be investigated on the basis of statements made about that conduct without the necessity of a member of this house preferring a specific charge, and that as a ground for presenting such a motion there was no need of charges specifically made, as argued by spokesmen on the government side. In this connection, Mr. Speaker, I wish to refer the house to a question which I addressed to you last Wednesday as to whether a question of privilege could be raised on allegations direct or implied in a judgment of a court in some other way.

The answer to my question, of course, was in the affirmative. Any other answer to that question, in your words, Mr. Speaker, to quote from your decision of last Friday at page 4930 of *Hansard*, would be "to overlook precedents in which inquiries have been undertaken on the basis of charges implied from documents". That surely must dispose of the arguments advanced by the Prime Minister and the Minister of Justice on this matter. Later it is stated in your decision, Mr. Speaker, and I quote again from page 4930, lines 29 to 33:

> On the authorities it appears to be open to an hon. member to confront the house with charges against another member implicit in documents in the possession of the house, but in my view the charge must be there.

In other words, according to your decision, they must be implicit in the document. I am sure that conclusion is correct, but I still believe that this particular part of the procedural problem has been finally resolved, because no argument adduced from any source in this house has disposed of the precedents established in the Foster and Garland cases in the Canadian House of Commons and the Boothby case in the British house when charges were neither specifically made nor documents referred to.

Last Friday, Mr. Speaker, you placed on record in the house a sentence which seems to me to be of very great importance. It had to do with your attempt to formulate from the affirmations in the motion a possible charge which in your mind it was your duty to try to find, whether in fact such a charge, direct or implied, did exist. Your sentence on that point was as follows, and I quote from page 4931 of *Hansard*, lines 16 to 25:

> If these observations or "affirmations", as they are styled in the notice of motion, are taken as fact—

In other words if they are taken as fact; and the government insists, as I will point out later, that we must take them as facts if we are going to produce this kind of motion. You went on, Mr. Speaker:

> —and the worst construction is put on them, it would appear that the hon. member for Peel on behalf of his constituents unsuccessfully attempted to get more generous compensation for them from public funds for the lands which the crown had expropriated than they were warranted in receiving.

That formulation, Mr. Speaker, drawn from the affirmations in the notice of motion—and I am certainly not complaining about it or questioning it in any way—goes further than any statement made by any hon. member on this side of the house.

Mr. Churchill: Will the hon. member permit a question at this stage? Should the hon. member not read the next sentence, "This summary does not do justice either way"?

Mr. Pearson: I do not think that has any bearing at all on what I have said. Earlier in your remarks, Mr. Speaker, you stated that no close precedent was cited and that you were unable to find any. Based on the construction that such conduct as was referred to in the judgment of the court which was mentioned in the notice of motion had not in the past been punished and that no close precedent was cited, you thereby ruled that a question of the privilege of the house was not prima facie involved. That is the ruling of the Chair and it has been confirmed by a decision of the house. Naturally, Mr. Speaker, all members are bound to accept it even though they may not be convinced that it is warranted by precedents of by the evidence. A decision has been made, and the house is bound by it.

I suggest that a decision of far-reaching importance was made in the ruling given last Friday. It seems to me to involve the answers to this question: Can a member, without any breach of the privileges of parliament, seek for his constituents funds from the public treasury which in the circumstances they are not warranted in having? When we raised that as a question, Mr. Speaker, for discussion on the estimates of the Department of Transport, the Minister of Transport merely replied by indulging in, if he will permit to call it such, a political tirade.

Now, Mr. Speaker, it seems to me that this is the kind of question which could be more profitably discussed in the committee on privileges and elections. If it is to be discussed on a supply motion, if the debate on this matter is now to take a new turn, that is of course the result of the refusal of the government to permit that particular committee to inquire into the matter in a way

which would ensure that all the facts were known as they concern the two members of parliament involved, the Minister of Transport and the hon. member for Peel, and to examine into this matter so the right conclusions might be drawn from the facts discovered. Such a committee would not have been packed against the government and could have checked on certain statements and assertions included in a court finding, not an alleged finding, which certainly appeared to have reflected on members of parliament, some of which statements have been contradicted outside the court.

The Prime Minister dismisses this as of little significance unless on his own responsibility a member of parliament is willing to accept all these statements and assertions as true, which would mean that he would presumably have to accept the statements contradicting them outside the court as untrue.

Mr. Diefenbaker: That is a pretty thin argument.

Mr. Pearson: It may be a thin argument to the Prime Minister, but it is a pretty impressive argument to anybody who approaches this matter in an objective manner.

Witnesses, such as the Minister of Transport, who did not appear before the court could have been called before such a committee. I submit parliament would not be acting as a court in such an inquiry, and I submit also there would have been no trial. There would have been an attempt, with witnesses called, to check certain statements made under oath in a court which reflected on the propriety, so we thought, of the conduct of a member of this house.

If one says that no member should have to submit to investigation or inquiry by the House of Commons or a committee of the house of statements into his conduct in a matter of public business until he has been charged with an offence, then I say that is disproven by many precedents. Furthermore, in this case the investigation would have been into statements made about a member in a court under oath, statements made in the evidence which the judge reported in his findings, some of which were denied or contradicted later outside the court. Is that not something which should be inquired into? I hope to produce enough evidence, Mr. Speaker, to convince members that the answer to that question must be yes.

Yet it has been said that unless in these findings there is an explicit charge with which a member is willing to identify himself by repeating it in this house, there can be no such parliamentary inquiry. The fact that this argument is wrong and without any logical foundation is shown by the statement that if the member concerned or the Minister of Transport had moved a motion of inquiry into these assertions, it would have been accepted by the government without any argument. However, this procedure of inquiry by the committee on privileges and elections we thought was fair to everyone concerned. This procedure has, up to the present, been rejected by the Prime Minister, who has justified his rejection by accusing those of us who are proposing it of McCarthyism. This merely shows the weakness of the case, as all smokescreen diversions do, whether by the Prime Minister, the Minister of Justice or the Minister of Transport.

At this time, Mr. Speaker, it becomes necessary not to see whether the privileges of parliament are involved, because you have decided they are not, but to look into the conduct of the Minister of Transport and the hon. member for Peel and the government in the handling of this whole question of the Malton expropriations. The evidence we have in that matter is in the findings of the president of the Exchequer Court of Canada; in statements made by those concerned or some of those concerned outside of the house, and in the words of the Minister of Transport inside the house. We have had no word as yet from the hon. member for Peel inside the house, but some remarks have been made by him outside, at least as reported in the press. Surely, Mr. Speaker, today he will have something to say about this matter, even at this late date.

I must emphasize that the observations and statements about which I am talking, the statements that to us seem to reflect on somebody's conduct, are not made by me. They are made in the findings of a court judgment which I found it my duty to repeat as bearing on this problem. The Prime Minister, I repeat, takes the position that there can be no inquiry into these findings by a committee of this house concerned with parliamentary privileges unless a member takes the responsibility for accepting all those findings of the court as true, and therefore something on which a charge could and must be laid by a member of parliament. He argues that one must also accept responsibility for the comments on these statements made by others, including the member for Peel himself and the Minister of Transport, which contradict certain of these statements in the findings of the court.

Then he says that parliament should not investigate them, whether or not they appear to reflect on a member. Whatever statement

is made outside the house, in a court of law or in some other place, which reflects on the conduct of a member—that has nothing to do with the privileges of the house unless you accept it as true and lay charges based on it. That is the government's position, and it is a very strange position indeed. I could think of some adjectives used by the Minister of Justice the other day which might be appropriate in describing it, but I will not do that. However, I will say this; that I consider the position a travesty of respect for parliamentary rights and privileges. Perhaps it is an effective method of avoiding any inquiry by the men who talk about McCarthyism because we will not condemn a person before such an inquiry is made to find out the facts.

The Prime Minister laughs; he finds this amusing.

Mr. Diefenbaker: I find such arguments or lack of arguments amusing.

Mr. McIlraith: After the arguments you advanced last week?

Mr. Pearson: What are these statements in a finding of a court which reflect on a member and which should be examined in fairness to the member himself and corrected if they are wrong or misleading? If that is not done —and the government has certainly not made it possible yet—they remain on the record of the court and indeed, in view of the discussion we have had in this house, on the record of parliament.

Does the member concerned wish that to happen? Does the Prime Minister wish that to happen, namely that the court record go unchallenged and unexamined? Does the Minister of Transport, who is so directly concerned with all this, wish that to happen? No doubt he will be taking part in this debate. Perhaps I might be permitted to address a few questions to him. May I ask him first this question. Why did he not appear in order to clear these matters up when these statements were made before the court?

Mr Hees: May I answer that question right now. The answer is that I was never summoned or asked to appear.

Mr. Pearson: Naturally; I expected that would be the minister's reply.

Mr. Hees: It is true.

Mr. Pearson: The minister knew that the business of his department was being considered by this court. The minister must have known of some of the statements that were being made in this case. He is the Minister of Transport. This was a case which concerned his department. In view of the statements that were made, which were confusing, which were contradictory, and which affected him directly, did the minister not think—notwithstanding the fact that he had not been subpoenaed—it might have been a good thing to go to court and clear this matter up?

Mr. Hees: I have answered every one of those questions in this house posed by you.

Mr. Pearson: The minister will have a chance. The minister said he had answered all the questions.

Mr. Hees: I have answered the questions you put to me.

Mr. Pearson: Let us see. What are these statements, these allegations, some of which remain unchallenged in the court findings and are now on the records of parliament? The minister will be glad to follow this because he will no doubt want to deal with some of them. All my statements are based on the document.

In the first place, it was stated under oath that the member for Peel sought to bind the treasury in advance to accept an increased valuation of certain properties which were being expropriated and which had already been valued, according to the minister, on approximately six other occasions by departmental and other valuators, and which were the outstanding claims after 180 others had been settled.

The member for Peel himself stated under oath that the department had in fact accepted his proposal for such an additional valuation by an appraiser to be recommended by him, which valuation would be binding on the owners and on the crown. There was considerable evidence on this point, which I now propose to put on the record.

The minister had written the member for Peel on July 19, 1957 that his department had thought the appraisals "fair and reasonable"—those were the words he used—after six earlier valuations. These are the appraisals of the eleven outstanding parcels of property in these Malton expropriations. He had thought that the appraisals, after six earlier valuations, were fair and reasonable. He stated that the Department of Veterans Affairs, which was concerned in these cases since some of the owners were veterans, concurred in that view. He pointed out that there was a test case, the Hatton case, before the exchequer court which would provide a basis for any further settlement, he thought. He has added that it would be well, in his opinion, to wait for this to be settled first; otherwise—and I quote from his communication—

—the department could be accused of being wasteful of the taxpayers' money by giving in to unreasonable demands.

In his letter of July 19 the minister went on to say this:

I would not like to commit myself at this stage to arbitration in the sense of appointing an independent appraiser acceptable to both the veterans and ourselves.

But he added—and I quote from his letter:

I would certainly be prepared to consider this possibility further if the veterans were prepared to agree by contract in advance that the report of such an independent appraiser was final and binding on them.

That is from the minister's letter. So the member for Peel, relying on this willingness to consider the matter further, began to act as he thought—and no doubt quite sincerely thought—in the interests of his constituents. On July 24, 1959 he wrote the minister that the owners, and I quote from that letter—

—have agreed to the matter being arbitrated by a single arbitrator to be agreed upon between yourself and themselves.

If words mean anything, they mean that the owners had agreed to an arbitrator whose decision would be binding on both parties. There is no doubt on that score, as I shall now try to point out from further communications. The member in this letter added that he would submit the name of such an arbitrator for the minister's consideration. The name recommended and accepted by the minister was Mr. Earl Clare.

The member for Peel then had a meeting with the owners some time in August, according to the evidence. Again from the evidence, on page 4, he told the owners of a talk with the minister and of the plan he had proposed to the minister for an independent valuator who—and I quote the words of the finding—"would be a reputable and reliable real estate man". The member asked the owners, according to the findings, to accept this proposal for an arbitrator whose decision would be binding—and again I quote from the finding—"on both the owners and the department". When the owners agreed, the member for Peel wrote to the assistant deputy minister of transport on August 27—and this appears on page 4 of the finding—confirmed that the owners would accept an arbitration by a new valuator—and I quote again—"whose finding shall be binding on both parties". There is no misunderstanding there. That language is perfectly clear. There is no room for misunderstanding as to what that language could possibly mean other than there should be an arbitration binding on both sides.

Mr. Hees: Would the hon. member mind my asking him a question?

[Mr. Pearson.]

Mr. Pearson: No.

Mr. Hees: Who wrote that last letter?

Mr. Pearson: The member wrote it to the minister.

Mr. Hees: The hon. member for Peel wrote it?

Mr. Pearson: That is right.

Mr. Hees: But so far, there is no agreement of any kind under which the department agreed to be bound in any way, shape or form.

Mr. Pearson: I shall come to that matter in due course. On August 29 the assistant deputy minister of transport wrote to the member for Peel that after discussion with the officials of treasury board and the Department of Justice, I think it was, he felt that arbitration of the kind suggested in the member's letter was impracticable; that it was contrary to the intention of the Expropriation Act for the government to be bound in advance in the manner suggested by the member for Peel; that it would establish a precedent which could have—and I quote—"extremely serious and dangerous consequences for the future"; and that the court was better qualified than an arbitrator to come to a sound decision.

Then occurred a meeting between the minister and the member in the Hunter building on September 19. Mr. Booth, the assistant deputy minister of transport, was present for the first part of the meeting but was not present for the last part of it. On page 5 of the findings it is reported that the member for Peel again—and I quote from the findings on page 5—

—suggested that an independent appraiser should be appointed and that both the crown and the owners should be bound by his valuations.

On this occasion the assistant deputy minister pointed out that, as recommendations were subject to the approval of treasury board, the minister could not be bound in advance by any new valuation. I am glad to put that on record. The assistant deputy minister also stated that the department was satisfied with the valuations that had been made and that they were valid. There was further discussion between the minister and member after the assistant deputy minister left, and there is no record of any kind of that discussion, as far as I know, in the finding of the court or anywhere else. But after that discussion on October 1, 1957 the minister wrote to the member for Peel, and I quote from his letter of October 1:

My understanding of your proposal—

That is the proposal of the member.

—was that if new proposals were made by a valuator acceptable to you the owners in question would agree to be bound by his valuation.

That is the owners in question. That surely does not make any sense unless the arrangements bound the government as well.

Some hon. Members: Oh, oh.

Mr. Pearson: It is quite simple to show that, and it is even easier to show that that was the impression in the hon. member's mind. I have lots of evidence to prove that.

The hon. member had every right to assume that the obligation was on both sides. How otherwise could he have got the owners to accept such an obligation? What could they possibly have gained by signing such a one sided agreement? I cannot believe that the hon. member after his talk with the minister would have put it forward to them in such one sided terms. There is evidence taken under oath to show that the understanding of the hon. member was perfectly clear on this matter, that there was no doubt in his mind as to what had happened. Let me quote from this letter of October 1. In it the minister asked for:

—the written undertakings of the owners to be bound by Mr. Clare's valuations. When these valuations are received I will proceed along the lines indicated to you—

That is, to the member. I continue:

—in our discussion.

Mr. Speaker, what were the lines under which they were to proceed and which were mentioned by the hon. member in the letter of October 1?

Mr. Hees: Would the hon. member like an answer to that question right now?

Mr. Pearson: I have it from the documents.

Mr. Hees: Do you want an answer? You have asked a question and I am prepared to answer it right now. If you do not want the answer—and I do not think you do—I will not, of course, give it.

Mr. Pearson: Mr. Speaker, I have an answer to that question not from the intervention of the minister but from the documents in this matter—

Mr. Hees: You do not want me to answer.

Mr. Pearson: I say there was a sharp conflict of evidence here. A couple of weeks ago the Prime Minister of course could not find any conflicts or contradictions in the evidence at all. I maintain that this is a sharp conflict of evidence. The findings of the court are very clear as to what the hon. member said in the court under oath. I will read what is found at page 7 of the findings of the president of the Exchequer Court of Canada:

When Mr. Pallett was asked what lines had been indicated to him in the discussion, his answer was—

I quote from his answer taken from the findings:

—"whatever valuations were made by the independent valuator would be accepted by the Department of Transport".

What has the minister got to say about that?

Mr. Hees: Do you want me to answer that?

Mr. Pearson: I asked you a question and I will give you an opportunity to answer it.

Mr. Hees: I shall be very glad to do so. The agreement between the hon. member for Peel and myself, as I outlined to him in my office, was that we would be perfectly willing to appoint an independent valuator, Mr. Clare, and that when his valuations were received they would be submitted to the treasury board staff for examination. That was the agreement.

Mr. Pearson: That is the minister's answer, so I will read again what the hon. member for Peel said under oath before the court:

—whatever valuations were made by the independent valuator would be accepted by the Department of Transport.

Let us examine what the assistant deputy minister said about this when he was questioned on it. I quote again from the evidence. Mr. Booth said:

The minister did not say that.

The findings then add this:

Mr. Pallett said that he had convinced the minister and that he left the meeting with the understanding that the valuation made by Mr. Clare—would bind both the department and the owners and that it was his responsibility to get the owners' signatures on documents agreeing to his valuation.

Those words are found at page 7 of the findings. Mr. Booth intervened to try to correct the impression of the hon. member for Peel that he had a proposal accepted by the minister.

Mr. Diefenbaker: Read the next portion. It is all part of the same thing.

Mr. Pearson: I have some more to read from page 7.

Mr. Diefenbaker: Just read this to conclude that paragraph.

Mr. Pearson: Yes, I will be very glad to read it:

There was thus a sharp difference between the evidence of Mr. Booth and of Mr. Pallett—

I am reading from page 7 of the findings. I continue:

> Mr. Pallett said that he had convinced the minister and that he left the meeting with the understanding that the valuation to be made by Mr. Clare, if he was found to be qualified—

I left that out because it did not seem to me to be pertinent. I continue:

> —would bind both the department and the owners and that it was his responsibility to get the owners' signatures on documents agreeing to his valuation. But Mr. Booth was clear that the minister was most anxious to settle the matter and do everything possible short of binding the crown in advance of the proposed valuation.

Mr. Fleming (Eglinton): Yes, short of binding the crown.

Mr. Hees: Carry on.

Mr. Pearson: Of course that is the position the assistant deputy minister took. He said his minister was not bound by the valuation. But the hon. member for Peel, a member of this house, said he left the meeting with the understanding that it would bind both the government and the owners and that it was his responsibility to get the owners' signatures. If there was this misunderstanding between the hon. member for Peel and Mr. Booth on this matter—and there obviously was—why did the minister not clear up the misunderstanding and put the hon. member for Peel right?

On the basis of the documents I have read it seems to me that the position taken by the hon. member for Peel was perfectly reasonable. Why else would the hon. member try to secure the signatures? Why should he have been put in such a false position by the minister if the situation were otherwise? Why should he be asked to get signatures of the owners on the ground that they would accept the valuations of the independent appraiser if the government was not going to be bound by the valuations?

Mr. Hees: Do you want an answer to that?

Mr. Pearson: Why would the minister ask these people through the hon. member for Peel, to accept a one sided valuation of that kind? I suggest that the hon. member had no intention of asking that at all, and that he was completely honest and sincere when he said that he believed these valuations would bind both the government and the owners. That is what he said before the court.

Mr. Hees: Would you like an answer to that question? I am prepared to answer that question if you wish. I do not believe you want any answer.

Mr. Pickersgill: The minister is just trying to destroy the argument of the Leader of the Opposition.

Mr. Pearson: I have already answered the questions the minister speaks of from the documents before me. The minister will have lots of opportunity to make reference to this. He can speak in this debate.

Mr. Hees: I asked you a question. You seem to be genuinely asking for information. Do you want an answer to your question? Do you wish me to reply to your question?

Mr. Pearson: I have the answer.

Mr. Hees: No, you have not. You do not want the answer.

Mr. Speaker: Order. The minister will know that the hon. member who has the floor wants an answer when he sits down and gives the minister an opportunity to speak.

Mr. Pearson: This is very interesting, in view of the minister's intervention. On October 3 the hon. member for Peel wrote the minister saying that he would send along the signed forms of the owners in the form of an agreement between the owners and the government. What kind of agreement would that have been which bound only the owners and had no binding effect whatever on the government? The minister replied on October 7, and I quote from his letter on that occasion:

> I have been advised that barring unforeseen difficulties we shall be able to complete the formalities within this time limit and under the circumstances I agree to proceeding in the manner you have arranged.

There was a suggested time limit of two months. The minister on October 7 said he would agree to proceeding in the manner arranged by the hon. member for Peel. We know what the hon. member for Peel thought he was doing, because he said under oath in court what he thought he was doing. There was nothing in that letter of October 3, after these talks, to warn the hon. member that the valuation was not binding on the government but was binding only on the owners. There was nothing in that letter of October 7 to clear up any misunderstanding which obviously was in the hon. member's mind or he obviously would not have made the statements he did before the court.

The following is also an answer to the minister's interruption. On page 8 of the findings we find the following:

> It was Mr. Pallett's opinion that what was meant was that the valuation would be acceptable to both parties.

That was three times in these findings that the hon. member's views of this matter had been set down in black and white as implying an arrangement, a proposal, an agreement —whatever you want to call it—which was binding both on the government and on the owners.

Mr. Diefenbaker: Would the hon. member read again that paragraph, the next words on page 8?

Mr. Pearson: I will be glad to as the Prime Minister seems very curious. I should have read the whole document, Mr. Speaker. I am now reading from the evidence itself:

> On October 7, 1957, the minister wrote to Mr. Pallett acknowledging receipt of his letter of October 3, 1957, and referring to Mr. Booth's telephone conversation with Mr. Pallett commenting on the shortness of the two months' limit and concluding as follows:
>
> "I have been advised that barring unforeseen difficulties we shall be able to complete the formalities within this time limit, and under the circumstances I agree to proceeding in the manner you have arranged."
>
> There was controversy over the meaning of the last portion of this letter, "I agree to proceeding in the manner you have arranged." It was Mr. Pallett's opinion that what was meant was that Mr. Clare would do the valuation and that it would be acceptable to both parties. But Mr. Booth, who had prepared the letter for the Minister's signature, said the phrase "formalities" meant simply the formalities in the case of agreed settlement including submissions to the treasury board.

For the benefit of the Prime Minister I might say I was coming to that in my statement.

Mr. Diefenbaker: My hon. friend always seems to be coming to it but never does.

Some hon. Members: Oh, oh.

Mr. Pearson: The Prime Minister obviously wants it to be on the record twice and I will be glad to oblige. The Prime Minister is very anxious to show that a civil servant is really the determining influence in this matter and that the civil servant was instructing the member.

It is clear—and this is a very important part of the evidence—that Mr. Pallett knew the need for approval of the treasury board when he stated that the minister said that he would have to take the responsibility. He would take the responsibility of dealing with the treasury board. If as the assistant deputy minister argued—and the Prime Minister is so anxious to get the assistant deputy minister's argument on the record—"formalities" meant simply the formalities in the case of agreed settlements including submissions to the treasury board, why did the minister not make this clear to the member and later to the court? Why allow what he admits was a misunderstanding to persist? According to the hon. member for Peel the minister stated that he would take the responsibility in connection with the approval of treasury board. Is that an accurate statement? Are we to accept that statement as such, that the minister would take the responsibility of dealing with treasury board with regard to these evaluations? There is some evidence to support that interpretation, Mr. Speaker; but why did not the minister—and I ask him again even though he was not subpoenaed—appear in the court and clear this whole matter up? Why leave the matter there in the way it was left in the hon. member's mind? There is no doubt what the hon. member thought was going on. Surely it is not a very fair way for the minister to treat the hon. member, to leave him under what he admits now to have been a very serious misapprehension, a misapprehension so clear that he the minister, refers to it in this house.

Mr. Speaker, let us just see what the minister had to say about this in parliament. On June 9, as reported on pages 4457 and 4458 of *Hansard*, he dealt with this matter in reply to some questions from the hon. member for Laurier (Mr. Chevrier). He said first of all that he would not comment on the findings of the court. I would ask the minister, and he can reply to this question when he gets up to speak, why would he not comment on the findings? Again on page 4530 he said it would be inappropriate for him to discuss the judgment and he would not do so. On page 4591 he merely accepts the decision of the court with regard to the payment to be made, and that is all. The minister would not comment on the findings of the court, but presumably he expects us to accept as true and accurate those findings; otherwise we would not have been asked to base a specific charge on them. The minister would not comment, but he said that we were to accept them all as true and accurate if we are going to base a charge and to request a committee to inquire into it.

Mr. Hees: When did I say that, Mr. Speaker?

Mr. Pearson: The position of the government, goodness knows, is surely clear enough on this matter. The position of the government is that there can be no inquiry into this matter on a question of privilege unless some member on this side of the house takes the responsibility of identifying himself with all these findings and specific charges, and therefore assumes that they are accurate and true. Nothing could be much clearer than that from the position taken by the government.

Let us look at the treasury board aspect of the matter for a few moments. The minister also stated, as reported on page 4411 of *Hansard* for June 8:

> I assured the hon. member that the appraisals made by Mr. Clare would be presented to treasury board for their examination.

Mr. Hees: Mr. Speaker—

Mr. Pearson: The minister need not get up; I will go on and say what he said later about this because I want to be perfectly

fair to the minister and quote everything he said, including his correction of that statement. Later on, on June 10, as reported on page 4529 of *Hansard*, he said:

I assured the hon. member that the result of this further valuation would be studied with the greatest care by the officials of the treasury board in order to ensure that it got the fullest possible consideration.

When this contradiction between the board, which is a cabinet committee and deals only with recommendations from a minister, and officials of the board who are civil servants and have no such power of recommendation, was pointed out, the minister said that he meant the treasury board staff only, and that he made no recommendation to the board itself and was under no obligation to do so.

Mr. Hees: That is right.

Mr. Pearson: That is the minister's position. Well, was that the understanding in the mind of the hon. member for Peel when he secured the signatures to the agreement? Was that the understanding when he made this reference to the fact that the minister would take responsibility for dealing with treasury board?

Now let me ask a specific question, because it deals with this matter and appears in *Hansard* on page 4529. This a question I asked the minister:

Was there agreement that both parties would be bound by the Clare appraisal—

This was an appraisal which would have required a recommendation to the treasury board by the minister and acceptance of it by the board. When I asked the minister that question his reply was short and to the point: it was a categorical "No." Yet was the hon. member for Peel clear about that when he was going through this long and hard effort to get signatures from the owners, and when he told them that the minister would be responsible for treasury board, and when he told the minister two or three times that an agreement had been reached which would be binding on both sides?

Does the minister not think it would have been a wise thing for him to have cleared up this matter with the hon. member for Peel at that time? Perhaps the minister will now comment on that categorical statement, that categorical negative, and tell us whether there was no such agreement, no such undertaking, and no such understanding between himself and the member, or no proposal which would have required acceptance of the Clare valuations by the government or treasury board. He owes that to the hon. member concerned, and indeed the hon. member concerned owes it to himself. Perhaps, Mr. Speaker, that statement was made in entire good faith, but he the member for Peel, owed it to himself to correct that statement, if it is wrong, made to the court under oath. I asked the minister on his estimates on June 11—and I am quoting from page 4583 of *Hansard*—how he reconciled his statement that there was no proposal for agreement or no clear understanding about compulsory arbitration with the hon. member's statement that there was. To that the minister replied:

I have no doubt that the hon. member had an idea that there was an agreement—

When did the minister decide that this idea had been removed from the hon. member's mind? When did he decide that this idea was in the hon. member's mind? After all the discussions, these talks, these letters, these communications, after all this correspondence to clear this matter up, then the minister came before the house last week and said, "I have no doubt that the hon. member had the idea that there was an agreement". So at the very best, Mr. Speaker, after all these talks, letters and correspondence between the two there was, on the basis of the minister's own statement, this complete confusion and misunderstanding on such an important matter. Perhaps both the minister and the member during the debate will explain how this confusion and misunderstanding—and I am putting it on that level at the present time—arose.

Now, let me deal with another matter in which there are contradictions and conflicting statements, even if the Prime Minister (Mr. Diefenbaker) does not know of any such contradictions and conflicts in this matter. Page 16 of the findings has this to say about Mr. Clare, and this is the statement of the president of the Exchequer Court of Canada:

I do not believe that he was a free and independent valuator.

This is the statement of the judge. What has the hon. member and what has the minister to say about this statement? Nothing, according to the Prime Minister, until you lay a charge against the member, which makes it possible for that kind of statement to be looked into. In other words, let that statement go unchallenged until you lay a charge. But why did the judge make that statement? He had reason for doing it and he gives it in his findings, which can be found at the bottom of page 16 and the top of page 17. This is from the findings of the court:

He admitted—

"He" being the independent valuator, Mr. Clare.

—that Mr. Pallett, who had recommended his appointment, said that he wanted a good price and, on his cross-examination, after long hesitation, he admitted that Mr. Pallet had instructed him to put

as generous a valuation as possible on the properties and he told Mr. A. A. Speer, the Department of Transport's district land agent, that it was difficult for him to carry out his instructions.

The word used is not "suggested" or "proposed". The word used by this witness under oath is that he was instructed. I ask the minister, did he authorize or did he know of any such instructions? I ask him also, does he believe that there were such? Outside the court, Mr. Speaker, the member contradicted the statement which was made under oath by a witness in the court. According to the Canadian Press, in a dispatch published on June 5, he contradicted it and perhaps I had better read it. It is a press report. If the member feels it is not accurate he will no doubt deny it. The press dispatch reads:

Mr. Pallett denied today that he had instructed the appraiser to place a generous evaluation on the properties; the only instructions given him were "to straighten this mess out".

It seems to me it is only fair to the hon. member to put that on the record. If that statement is accurate, then the witness under oath, a free and independent valuator, wrongly stated that the hon. member had instructed him to do certain things which indeed the hon. member had no right to do, and which the hon. member has since denied in the press. Should that matter not be cleared up, Mr. Speaker, and was not this House of Commons the place to have it cleared up? No, said the Prime Minister, unless you accept this statement of Mr. Clare as true and accurate and base a charge on it. We do not accept it as true and accurate until the hon. member has had a chance to give his side of the case.

Then, I suggest, we are trying to be fair in this matter and give him a chance because if the statement is wrong—he said outside the court it is wrong—then he has been grossly injured inside the court by a statement of this kind.

Finally, Mr. Speaker, there is one other question that perhaps the minister will deal with when he talks. Why did a free and independent evaluator, which we were told Mr. Clare was, who was working for the department in this matter and appointed by the minister, send his report to the hon. member, not to the department which had employed him, which would be the normal practice, and why then did the hon. member send it direct to the minister's office and not through the usual channels? Did the minister know of that procedure? Did he sanction it?

Let me emphasize as I conclude that none of these statements, which surely does reflect on somebody, including the members of the House of Commons, whether they are true or false; none of these statements which appear to reflect on the conduct of a member of the house is ours. They are in the findings of the court. We thought, Mr. Speaker, that these findings should have been examined by a committee of this house and that the Prime Minister would have been the first member of this house to insist that statements of this kind made in the findings of a court about one of his own members should have been looked into. Is the Prime Minister happy to leave these statements on the record unanswered? Will he still refuse what has been done so often in the past, namely to set up a committee to inquire into them in fairness to the member himself, or else submit them to the appropriate committee which is already in existence?

If the Prime Minister and the government do refuse this kind of inquiry and investigation, in the light of the evidence which I have put on the record, who then, Mr. Speaker, is being cowardly?

Perhaps I can quote from an editorial which has appeared on this matter. There are a number of editorials, but perhaps I can quote from an editorial in a paper which is a strong supporter of the government and therefore not likely to be unfair to the government in this matter. I am talking about the Calgary *Herald* and I am reading from its editorial of June 18. This editorial refers to the evidence given to the court and it says this:

This was evidence given in a court trial and duly released in the judgment of that court. It does not prove that Mr. Pallett has done anything illegal, but it certainly suggests a situation which is not desirable. Surely the taxpayers are entitled to expect that appraisals of land which is to be bought with their tax money should be appraisals completely free from any political influence. When a situation is uncovered which unquestionably suggests that some pressure, however innocent or mild, was placed on an appraiser who was apparently a political appointment, then parliament and the public have every right to expect that a full explanation will be given. It is not enough to say that the Prime Minister has investigated the matter and is satisfied. The *Herald* opposes government by caucus in Edmonton or in Ottawa, and regardless of party.

Lester Pearson, as Leader of the Opposition is quite justified in asking for an investigation. The government's suggestion that he lay a charge, which means in effect that if Mr. Pallett is exonerated of any crime then Mr. Pearson will have to resign, is totally ridiculous.

Hon. Davie Fulton, Minister of Justice, has jeered, sneered and challenged the opposition.

Mr. Speaker: Order. I question the propriety of reading an editorial which reflects on what goes on in this house. If it is expressing an opinion on a public issue, well and good; but when it gets to the point of criticizing the actions of the members in the house, I think it is quite out of order.

Mr. Pearson: Very well, Mr. Speaker. There are some others which substantiate the position we have taken and criticize the government in this matter. They represent, of course, a segment of public opinion which I think perhaps should be put on the record; but I think I have made a case from the evidence which is available to us, namely the findings of a court which quotes the statement of a member outside the house and the statement of a minister inside the house. It has been ruled by you, Mr. Speaker, that this matter cannot be considered by the committee on privileges and elections. It seems to us that that would have been a useful committee to have consider it but there are other ways in which it can be done. I think it has been abundantly shown now that if only in common justice to those concerned we should have these statements and these findings investigated and examined by this House of Commons in some form so that we can remove those contradictions and those conflicts and thereby find out what the truth is.

Surely that is fairness and justice to those who are mentioned in the evidence itself. I think any inquiry of this kind should examine into the discussions and negotiations between the Minister of Transport (Mr. Hees) and the hon. member for Peel (Mr. Pallett) in connection with the valuation of these properties. Concerning them, I repeat, the hon. member for Peel swore before the exchequer court to the effect that the Minister of Transport had accepted a proposal made by him that the Department of Transport be bound by the result of an independent appraisal of such properties and concerning which the minister stated to the House of Commons that no agreement had been made between the hon. member and himself that the department would be so bound. That is one matter which surely should be looked into.

Another matter which surely should be inquired into is the circumstances surrounding the appointment of Mr. Clare as an independent valuator, any influences under which he conducted his appraisal and the transmittal and final disposition of his report. Surely the government, having decided that this matter could not be examined by the committee on privileges and elections, is prepared now to have it examined in some other way. I will give the government the benefit of the doubt with respect to their refusal to have the matter examined by the committee on privileges and elections. I will make the assumption that the reason they would not do so was that that particular committee, by its very nature and by its terms of reference, deals with privileges and it might look as if a member of the house was, if you like, being accused and charged before this committee. It cannot be done that way now but there are other ways in which it can be done. There are other ways in which this matter can be examined and the statements made inquired into as they should be. Therefore, Mr. Speaker, I move, seconded by the hon. member for Laurier:

That all the words after "that" be deleted and the following substituted therefor:

"in view of the reasons for judgment of Mr. Justice Thorson in a case concerning the expropriation by the crown of property at Malton, Ontario, and contained in sessional paper 237, a select committee be appointed immediately to investigate and report on all matters connected with this expropriation."

Mr. John Pallett (Peel): Mr. Speaker, once again today, as on several occasions recently, hon. gentlemen opposite have called into question the propriety of my actions in the matter of the land expropriations at Malton airport. However, on this occasion at last it has been done in such a form as to make it possible for me to speak on the subject. I cannot tell you, Mr. Speaker, how much I welcome this opportunity. Hon. members can imagine how I have felt in the last few days while debate raged in this house, while insinuations were made, while suspicions were voiced and unspecified conduct on my part was alleged, and all this time I was unable to speak on my own behalf.

Some members may ask why I did not rise before now on a question of privilege and ask that the matter be investigated by a committee of the house. This is a question that deserves to be dealt with and I propose to deal with it now. In the first place, what we are dealing with goes far beyond this one case. It concerns the rights and privileges of all members of parliament now and in the future. For as Your Honour has said, precedents are of great importance in the House of Commons. Actions taken now in this matter may well have their effect on future matters that may arise in the house.

It seemed to me, rightly or wrongly, that if I rose and asked that this affair be referred to a committee I would be admitting that what I did might constitute a breach of the privileges of the house, and that I was not and am not, prepared to do. It seemed to me also that I might be creating a precedent whereby actions of this sort—and I will speak in a minute or two about what sort of action it was—could in future be called into question in the house. This again I was not prepared to do because I feel that to do so would seriously impair the freedom of members now and in the future to represent their constituents and constituencies in the way I believe they should.

There has been since the beginning of parliaments debates on exactly what are the duties and responsibilities of a member of parliament in representing his constituency. Probably the most famous statement on this subject was that of Edmund Burke, who once, incidentally, was the member for the pocket borough of Malton, in his speech to the electors of Bristol. Many people think that the burden of that speech was that a member once elected should pay no attention to his electors but do and say only what he feels to be right. That is what Burke did say concerning matters of opinion, judgment and conscience. But let me quote what he said in that speech concerning representing his constituents:

> Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasure, his satisfaction, to theirs; and above all, ever and in all cases to prefer their interest to his own.

It seems to me, Mr. Speaker, that the responsibility of a member of parliament in looking after the interests of his constituents has increased since the days of Burke. The ordinary citizen today who finds himself in conflict with government is at a great disadvantage. He is up against a large and impersonal organization with infinite resources. No matter how important the question is to the citizen, he finds that to government agencies it is just one of thousands of routine problems. An expropriation is to government authority a matter to be kept within the estimates of the department; to the citizen it may mean a difference in his standard of living for years to come. To whom can the citizen turn in this predicament if not to his member of parliament?

Now that the proper time has come for me to speak, Mr. Speaker, I feel that some of the factual background from which the present argument arises would be of some assistance to the house. On February 12, 1954 an expropriation was filed on behalf of the Department of Transport affecting 164 separate parcels of land in the neighbourhood of Malton airport in my riding. The largest number of these parcels of land were owned by small holders, many of them holding land under the Veterans Land Act. I refer to remarks I made in the House of Commons on July 22, 1955, in which I said:

> In answer to a question of mine on May 4 I was advised that, of the 164 parcels of land affected, only 32 transactions had been completed. That is over the year, from the time that the owners of these lands were deprived of their ownership. No compensation had been paid to them some 15 months later. As recently as June 30 I wrote to the minister requesting additional information as to how many of these transactions had been completed. Although I had a letter in reply saying that the information would be obtained, up to this time I have not received that information.
>
> I suggest this is a serious problem, because many of these are individual home owners who have been deprived of the ownership of their homes, without compensation, and they are therefore deprived of the opportunity to relocate. They are deprived of the benefit of the increase in value of their homes, if the economy of the country is expanding, as we are told by hon. members who support the government.

That is what I said in 1955 in referring to the action of the Liberal government of the day. My interest in obtaining what I considered to be justice for these constituents was therefore a matter of public record for over four years next month.

In 1955 I was approached by Mr. and Mrs. Victor Drew, who were employees of the A. V. Roe plant, to act on behalf of Mrs. Drew arising out of notice that she had received that she would be required to go to the exchequer court. About the same time a number of others, all of whom were part of the original 164 expropriated and principally all veterans holding land under the Veterans Land Act, asked me to intercede on their behalf. I should also add that one for whom I acted found the offer of settlement negotiated satisfactory and accepted it.

After June 10, 1957 I advised those for whom I was acting as solicitor that I could no longer do so because I was a member of the political party which had formed the government. I inform the house at this time that at no time was a fee ever requested, offered or paid to me for any services rendered by me in the matter before the house.

Needless to say there was at the time, under the previous Liberal administration, considerable bitterness in the area about the way that the small landowners, mostly veterans, had been treated. It was now 2½ years after the date of expropriation. They had not been paid and the only recourse normally open to them, the exchequer court, was impractical by reason of a backlog of cases. These people felt they could not wait any longer.

As a practical way of obtaining speedy justice I made the suggestion to the Department of Transport that a new valuation be made by a qualified and competent person who had not previously been connected with this matter. After considerable discussion with the Department of Transport this proposal was accepted. It was my understanding, and the understanding of those home owners who agreed to be bound by the

valuation, that this valuation would be acceptable to all concerned. Obviously there was a misunderstanding which arose in the following way. I believe the minister told me that the evaluations would be submitted to treasury board for consideration. The minister is equally sure that the assurances that he gave me were that the evaluations would be submitted to the treasury board staff, who were said to have great experience in examining real estate valuations put before them by various departments. This is the course that was followed by the Department of Transport. There was obviously a simple misunderstanding between the minister and myself regarding the terms "treasury board" and "treasury board staff". Valuations were submitted by the new valuator but they were not accepted by the Department of Transport.

The particular parcel of land involved in the proceedings before the exchequer court was a parcel of land containing a 5-room frame house on 4.36 acres of land. In the original pleadings in the exchequer court the Department of Transport claimed the property for $9,200 and my constituent valued her property at $20,597. The new evaluation placed it at $17,330.50. The present judgment is in the amount of $11,200, which was identical with the final offer made by the Department of Transport. It will be seen, then, that the representations made to the department on behalf of my constituent had the effect of increasing the original expropriation from $9,200 to $11,200, the figure approved by the court. This was an increase of $2,000, but $6,130.50 below the new valuation and $9,397 below the valuation originally placed upon the property by my constituent. I think it should be made clear at this point that differences of this sort between various evaluations particularly in expropriation proceedings, are not unusual.

Any home owner who has worked over a period of years to improve his property naturally thinks in terms of intangible valuations of location, sentiment and environment. They are not taken into account by a professional valuator. I say this is the common experience and that the differences in the figures I am quoting are not therefore unusual. Naturally I find myself in sympathy with the home owner and with all the others, many of whom were, like myself, veterans and residents of the general area. In the circumstances I had no hesitation, nor did I, nor do I consider it improper to have assisted their cause against the professional evaluations of the government. It was for this reason that I suggested the appointment of a new evaluator, because I felt certain that this would result in a more realistic evaluation and some degree of compromise between the low figure of $9,200 and the high figure of $20,597. Subsequent events proved this assumption to be correct.

It has been said that I gave instructions to the new evaluator that I instructed him to be as generous as possible. I appreciate the fact that the use of the word "instruct" is unfortunate because the plain fact of the matter is that I was in no position to instruct Clare or anyone else. I had known Clare and had in fact recommended him for the position because he was a well known real estate agent in the area and was regarded as highly experienced in valuing property there. His qualifications were checked by officials of the Department of Transport. I most certainly did make representations to Clare that feeling was high in the district, that home owners were not being fairly treated, and that the reason for this was the general feeling that the prices offered by the department were out of all reason. I said that his was a public relations as well as a valuation problem, a viewpoint that is so widely recognized that the negotiators of land values in some large corporations are called public relations officers.

I never at any time instructed the valuator to place a generous valuation and to that I pledged my oath. My idea of a proper valuation was, and still is, one which would take into account the harsh fact of expropriation, the heavy costs of moving and relocating, the long wait and the uncertainties of the four year period and those other human factors which are so often ignored in cases of this sort. I suggest that any hon. member of this house would not quarrel with that conclusion. All the steps which were taken by me in making these representations on behalf of my constituents were taken while sitting as a private member, without fee or other charge, and before my appointment as chief government whip.

There is a responsibility on members, a responsibility which we in Peel county acknowledge. It has been well stated by one whose reputation and experience we all respect, a former prime minister of Ontario, a former provincial member for my own county of Peel, the late Colonel the Hon. Thomas L. Kennedy, who said:

> Political patronage has never appealed to me. I mean that I never felt I was representing just the Conservatives in Peel and that I should do things only for them. A man represents a riding and in that riding are all kinds of people with different sorts of political views. They have a right to look to me for help.

I offer that as my text on this occasion because it represents a principle of public

service in and out of this house to which I give my full adherence. I shall continue in the future, as in the past, to work for and, if need be, to fight for the best interests of all the people of the great constituency of Peel as part of this wonderful country of ours.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, we have listened with more interest, I think, to what has been said just now in the house by the hon. member for Peel (Mr. Pallett) than we have to anything that has yet been said on this subject by any member on either side of the house. I must say that I should like to congratulate the hon. member on the tone of what he said. He showed respect for the house, for the traditions of the house and a proper sense of his own position which I think impressed us all—I know it impressed me.

However, I do not believe the hon. member has removed all the doubts that are in our minds. I propose to try, if I may be allowed, to consider the matter in the same tone, in the same temper as did the hon. gentleman. I want, first of all, to deal with the first point the hon. gentleman made. He said he thanks the Leader of the Opposition (Mr. Pearson) for at last bringing this matter up in a fashion which has permitted him to speak in this house. It is with that statement that I must take issue at once.

It is open to any hon. member at any time that he feels there has been any reflection upon his reputation or upon his name as a member of the house to rise in the house at the first opportunity and make an explanation about it. That has been done countless times. It was done only last week by the hon. member for Laurier (Mr. Chevrier) when a reflection was made upon him. As a matter of fact, it was something very close to a charge that was not withdrawn, and the hon. member who made it did not resign, I might add; but I do not want to get diverted into that matter. However, the hon. member for Laurier rose in his place at once and made an explanation. There was no hesitation about that. It seems to me that the only proper course for the hon. member for Peel to have taken—I said this in the house some days ago in reply to some of observations made by the Prime Minister (Mr. Diefenbaker), I think on the estimates of the Minister of Transport, and I repeat it—as soon as the judgment of Mr. Justice Thorson was made public was to come and give to us an explanation of these statements.

These statements were not invented by my leader or by any member of the opposition. As my leader pointed out today, we have been most scrupulous not to repeat anything about this case except what was in the judgment or what was said by the Minister of Transport (Mr. Hees) in the house, or what was alleged to have been said by the hon. member for Peel outside the house. The only reflections or insinuations have been those that have been made by one or two hon. gentlemen opposite, particularly the Minister of Transport, the Minister of Justice (Mr. Fulton) and the Prime Minister. If the hon. member for Peel on the first day after the judgment was made public, had made the statement that he made to us today, while I do not say this matter would have been ended—there are certain features of it that I do not think can be ended even by his statement—I think the approach to the matter or the attitude of the house in respect of this matter would necessarily have been different. I intend to attempt to point out the respects in which I think we can now be said to be satisfied or, perhaps, I should speak only for myself; in fact, I have no right to speak for anyone but myself in this house. I should, perhaps, indicate the respects in which I feel satisfied and the respects in which I do not feel satisfied with the statement which the hon. gentleman has made.

I agree with him completely that a member of parliament has a duty to his constituents. I agree with him completely that a member should put the interests of his constituents before his own. I agree with him that no member can be too assiduous in the pursuit of the rightful claims of his constituents before the government. About those things I would hope no hon. member would quarrel. Despite claims that were made in the heat of debate the other day by the Minister of Transport, I do not think that many hon. members on either side of the house would claim that most of us do not take that attitude with respect to our constituents. I do not think the hon. member for Peel, who was very modest in his statement, was claiming to be unique in this regard.

I do not blame the hon. member for Peel for his impatience with the previous government for the long time it was taking in making these settlements. I do not mind saying that even hon. members who were members of the government were sometimes very impatient at the length of time that was taken in settling these expropriation cases. On the other hand, some of us who have had some experience with these expropriations—and my friend the hon. member for Laurier and I have had a good deal of it—know that very often there are two sides to the case and that in many cases where, on the surface, it appears to be a very easy and simple matter to settle, nevertheless when all the

facts are known it is very far from easy or simple. Nevertheless, I quite agree that the hon. gentleman, as a member of parliament, had every reason to promote what he believed to be the honest interests of his constituents in getting a settlement, particularly when their homes were in question, as they were. I have no quarrel with the hon. gentleman, when he was a private member of parliament in the opposition for acting as solicitor for these people. I think that was a perfectly proper thing to do. I do not think there is anything wrong with it. If there had been anything wrong with it I think the law society would have dealt with it. There is certainly nothing that I can see that conflicts with his position as a member of the House of Commons.

I think that the hon. member showed considerable scruple in dissociating himself from this case at the time of the change of government when he became a private member supporting the government. I am not a lawyer but I do not think, unless he is a member of the government, that an hon. member supporting the government is precluded, any more than is an hon. member opposing the government, from acting against the crown. It does not seem to me that if one is not a member of the government this question arises at all; but I am not going to waste any time on that aspect. At any rate, the hon. gentleman, in a fashion which he considered to be proper and which certainly none of us would criticize, ceased to be a solicitor for the person in question. Again, with that procedure I have no criticism whatsoever, indeed, if anything, the reverse is the case.

Then we come to the next stage in the matter. I certainly do not blame the hon. member for going to the minister, who he no doubt felt would be more sympathetic to his representations than the previous minister, and asking him to try to speed this thing up. Obviously any hon. gentleman supporting this government would feel that they would do better than the former government and they would expect more results from the government. But when we reach that point I cannot any longer go along completely with the hon. gentleman. We are told this, and I am not going to attempt to quote from the documents unless I am asked to do so because the quotations have all been put in the record already this afternoon by my leader. I want merely to refer to them and I shall try to refer to them in summary form as accurately as possible. If I make any errors I shall be happy to be corrected.

The hon. member for Peel was told, according to the record, by the assistant deputy minister and by the minister himself, before Mr. Clare was appointed to appraise this property—and that is shown in the judgement—that an arbitrator could not be appointed under the Expropriation Act. I do not think there is any quarrel about that. What function then was Mr. Clare to perform. Notwithstanding this opinion of the assistant deputy minister of transport, concurred in by Mr. McNeill of the treasury board staff, and the deputy minister of justice, the minister saw fit to appoint an independent appraiser. What was the appraiser supposed to do? The minister had been told that it would be contrary to the law to do what was originally suggested by the hon. member for Peel.

There was this meeting in the minister's office about which the minister told us something the other day on his estimates and about which the hon. member for Peel told us something today. There was a misunderstanding. Obviously there must have been a misunderstanding. But why was that misunderstanding allowed to continue and on the basis of that misunderstanding, why was this woman who had this property, believing there was a situation existing which did not exist, allowed to be put to the expense of taking the case into the exchequer court? Why, when this misunderstanding was discovered, was this lady not told that there had been a misunderstanding, and that this whole business did not represent any agreement at all? Why did the hon. member not tell her that he had been mistaken about what the minister had told him and that the minister had never agreed to send this valuation to treasury board with his recommendation?

What does the hon. gentleman have to say about the statement in the judgment, a statement repeated more than once, when he said under oath that he understood that these valuations would be accepted by the government? That has not been explained. I want to be absolutely and scrupulously fair in this matter. I will put that question again. What does the hon. member for Peel say about that?

The hon. member for Peel, under oath, said he believed that the crown as well as the owners were bound by these valuations, and it was on the basis of the hon. member's statement that the suppliant took her action and put herself to the expense she did. When did the hon. member discover that there was not such an understanding. Did this occur before he appeared in court or after? There is no evidence in the findings of the judge that the hon. member had in fact discovered his mistake. I have not got the whole

transcript of evidence and have only the findings of the judge but if the hon. member discovered this misunderstanding before the action was taken or before the case came to trial I would assume that, in the evidence he gave at the trial, he would have dealt with that point and, according to the record, he did not deal with it in the trial, and therefore presumably the hon. member for Peel never discovered this misunderstanding.

That raises another very big question. At this point I do want to quote from the findings. At page 10 the judge says:

> There was, of course, the conflicting evidence of what took place in the minister's office on September 19, 1957, Mr. Pallett asserting that the minister had accepted his proposal that there should be a valuation by an appraiser approved by the department and acceptable to the owners and that both the owners and the minister acting for Her Majesty should be bound by such valuations and Mr. Booth stating that the minister had not agreed to be bound in advance by such a valuation.

That is what the judge says was stated in the court by the two principal witnesses. That is absolutely conflicting evidence. Are we to believe that when the minister declined or failed—and perhaps I should not use a verb at all—when the minister at any rate did not send this valuation forward to the treasury board then it is difficult for anyone to believe that the hon. member for Peel was not advised. It is difficult to believe that, at that stage, the hon. member would not have gone to the minister and asked why the valuation had not been sent to the treasury board.

It is very difficult to believe that, having been told what the reason was, the hon. member would not have gone to this lady and said, "This is the reason why this was not done." But no such evidence was given in the court. The hon. member gave the evidence that he believed this valuation was going to be accepted and he has not told us when he became disabused of this belief. That, it seems to me, is the nub of the whole matter.

Here we have a situation involving two hon. members of this house. The Minister of Transport has said one thing here in the house on his responsibility as a minister of the crown, and the hon. member for Peel has stated the precise opposite under oath in one of the high courts of the country. This has to do with something of real importance. This concerns the disbursement of money out of the treasury of the country. That is what is at issue, and it is not a trivial matter at all. I am not certain of the amount involved but I am told that the amount in all of these cases would probably be about $50,000. I must say that personally I do not regard $50,000 as a trivial sum at any time, and although some hon. members of this house may view an amount of this nature in a different light, it is not the amount that is important but rather the principle that is involved.

This was a question of the protection of the treasury on the one hand, against the interests of a group of constituents on the other. It seems to me that the House of Commons, which has the duty of protecting the taxpayers' money above all its other duties, is entitled to have a conflict of this kind resolved in no uncertain fashion.

There is another problem that was not resolved because of the persistent refusal on the part of the Minister of Transport for the most trivial of reasons to discuss the findings of the court. The minister kept saying, "No one would expect me to discuss the judgment of the court." Of course, I am not a lawyer and neither is the minister, but Your Honour is and the Prime Minister is, and even the Prime Minister could not stomach this argument—if I may put it that way—of the Minister of Transport because at one stage—and I have the *Hansard* reference here—the Prime Minister suggested that the judgment was still sub judice and for that reason the minister should not discuss it. Actually, of course, the references to the hon. member for Peel and to the minister were not and could not be sub judice.

All that was sub judice, if indeed anything was,—and the hon. member for Laurier argued that nothing was—was the judgment, the amount of the award. Certainly the minister had a perfect right to controvert the statements which were made in that finding by the judge if they required to be controverted. I suggest he did not have just a right to do so, but he had a duty to do so, and he failed in that duty to this house. In my submission he failed to account adequately for his stewardship of his department by failing to answer those questions.

I also submit that the minister has never told us why he appointed this so-called independent appraiser and what he envisaged this man could do. Hon. members will recall that he had been advised by the advisers whose advice he seems to have taken throughout the whole case—his assistant deputy minister, Mr. MacNeill, of the treasury board and in one instance reference was made to the deputy minister of justice—that there could not be an arbitration under the Expropriation Act. The vast bulk of these cases having been settled on a certain basis, it is difficult to see what the minister could conceivably have thought this appraiser could accomplish except to make the same valuations as had been made five or six times before.

I am told that appraisers do not work for free. I have not looked up the record to see precisely what this gentleman was paid but he certainly was paid some of the taxpayers' money and that, to us, obviously was wasted. It was wasted because these appraisals were of no value. Not only was it wasted but it had the effect of resulting in litigation of a character which may have cost the taxpayers even more.

But what I ask myself is, what did the minister think he was accomplishing by appointing this appraiser? What did he think this appraiser was going to do? Did the minister for one minute think that if these appraisals were higher than the other appraisals on which the department had already settled he could recommend that the department and the treasury board should accept and pay larger sums to these owners on a voluntary basis than had been paid to other people in similar circumstances? Did the minister really think that the government of Canada could treat citizens in that fashion? I suggest that it is almost preposterous to suggest such a thing. That these people could have gone into the courts and taken their chances and perhaps have got more than other people who settled voluntarily is one thing, but that the government of its own motion should make fish of one and fowl of another is surely a preposterous idea. It seems to me the house is entitled to know what was the purpose of appointing this appraiser, what it was expected to accomplish and what would be accomplished.

Now I come to the other question of whether or not the appraiser was instructed. On that of course, I do not intend to quarrel with the hon. member for Peel. The hon. member for Peel has said that the witness who gave evidence in the court gave evidence which was not true. The hon. member is a member of this house and he said that on his responsibility as a member of this house, and I accept it without question at all. But that does raise another question. The hon. member for Peel—and this has been admitted by him and by the Minister of Transport, and it is not a matter in dispute at all—took the responsibility of recommending this appraiser and the minister took the responsibility of appointing him. The minister says an investigation was conducted into this man's qualifications, and we have, of course, some recent evidence on this subject which I am not going to labour at all. However, I have a cutting here from the Regina *Leader-Post* of June 18, 1959, which quotes the executive director of the appraisal institute of Canada as follows:

[Mr. Pickersgill.]

—in Regina Thursday the land appraiser involved in the House of Commons hassle over land in the Toronto area is not a qualified appraiser.

Director W. N. Mulock said the Toronto appraiser J. E. S. Clare "is not a qualified member of the appraisal institute, nor has he ever belonged to the institute."

I am not going to make any more of that except to bring it before the house as another bit of uncontradicted evidence that the committee we are asking to have set up should resolve.

The other point I want to make, which seems to me to be perhaps the only other point I can usefully make, is this. The hon. member for Peel while he was a private member, as he himself has said, undertook to further what he conceived to be the legitimate interests of a group of his constituents. In doing so, because there was what he and the minister both called a misunderstanding between him and the minister, he led those constituents to believe—he did not deny this; in fact he admitted it quite openly—that he had on their behalf reached an agreement with the minister that the government as well as the owners would be bound by this appraisal. In other words, far from helping these constituents he in fact, if I may use a popular expression, led them down the garden path. I do not for a minute suggest that he intended to but that is what happened. These people, or at least one of them, were put—did the minister wish to ask a question?

Mr. Fulton: What about the extra $2,000 by which the award was increased? It is not a negligible amount.

Mr. Pickersgill: I have not forgotten about that at all. It seems to me that if the exchequer court was going to allow an extra $1,000—

Mr. Fulton: Two thousand.

Mr. Pickersgill: —$2,000; if these people were not satisfied to accept the same kind of settlement which had been arrived at with the other people, the exchequer court would probably have allowed that much in any event. But there were two actions here, I do not imagine that in the courts two actions come as cheap as one. It may be that there could have been a settlement without any action, and that was indicated before action was taken, as is shown in the judgment. The department felt that this $11,200 was open for acceptance before action was taken, and indeed it was the offer on which the learned judge based his judgment. Therefore, if this litigant had known for sure and been given an unqualified assurance of what the minister is telling us now, namely that there was a misunderstanding between the hon. member and the minister, it seems highly

improbable that any such action would have been taken, because this action was taken, as hon. members know, by a leading counsel in the city of Toronto, an eminent member of the bar who I have personal reason to know has been not unsuccessful in actions against the crown. It is very unlikely that a conscientious and able counsel would have advised his client to enter into an action if he had been advised in advance by the hon. member for Peel that there had been a misunderstanding and that no such agreement existed.

It seems to me that that comes right back to what I have said from the start is the nub of this case, that this litigant was allowed to go into court believing, and having every reason to believe, because she had been so assured by the hon. member for Peel—and we have no evidence that she was ever told the contrary—that an agreement had been made between the minister and the hon. member for Peel of the character that the hon. member for Peel said under oath existed. He said he believed it existed. Then we are told that it was a misunderstanding, and parliament has to be satisfied with that. I just do not think that when we are dealing with public money and the good faith of a minister of the crown that is good enough.

It seems to me that whether or not this matter be a question of privilege—and while we submit to Your Honour's ruling, it is very hard sometimes to submit—there can be no question of the impropriety in the first place of appointing an appraiser to perform no function that we have been told about that could be useful; to spend public money on this appraisal that could not possibly have the effect that those agreed in advance to be bound by it believed it would have.

There is also the contradiction between the statement of a minister of the crown, a member of this house, and another member of this house who today occupies the high and honourable position of chief government whip. I therefore submit, that the government—and the Prime Minister owes it to the house—should bring this matter before a committee and have it cleared up.

Before I resume my seat, if I have any more time, I should like to remind hon. members that in the year 1953, not long before I became a member of this house, another case arose in which the name of an hon. member sitting on the government side of the house was brought into question, not in the house at all, not in a judgment of a court, but by some articles in a Toronto newspaper. What happened in that case?

Mr. Diefenbaker: You had better give the facts.

Mr. Pickersgill: The Prime Minister says I had better give the facts. I have given all the facts that I intend to give about that case. If the Prime Minister wants to supplement the facts he is perfectly welcome to do so because there were no other facts that I know about. There were insinuations in the article in the newspaper, and I am not going to repeat those insinuations at all. There were insinuations affecting the conduct of a member in his relations with someone who had a contract with the government, but not affecting his relations with the government; affecting his relations with a contractor who had one or several contracts with the government.

What happened in that case? The hon. member in question came into the house of his own motion. I searched *Hansard* quite diligently and I have not found any reference made by any other hon. member to that hon. member's connection with the matter until he came into the house, or indeed afterwards, so far as that goes. He came into the house of his own motion made a statement very similar to the statement made today by the hon. member for Peel, in which he stated on his honour that he had no kind of improper connections whatsoever that affected him as a member and he put his seat in jeopardy. That is what happened in that case.

I do not say for a minute that the hon. member for Peel should have put his seat in jeopardy; I am not making any such suggestion. But I am saying that what he should have done at the very beginning of this matter—and I come back to this again—is to have come into this house at once and explained to hon. members in the frank way he did today precisely what had happened. He did not need to ask for an investigation. There is no compulsion on him to do that. My hon. friend from Laurier did not ask for an investigation the other day. He simply got up and stated the facts, and that was the end of the matter.

There was another occasion, of course, in that parliament before I became a member of parliament—the Prime Minister will remember it very well—when the leader of the opposition made insinuations and charges and more about a very distinguished member of the government, and that member of the government on two different occasions took immediate advantage of the first possible opportunity to reply to those insinuations. There is nothing new about it. What is new about this is that the hon. member for Peel did nothing about it for all this long period of time. Why, it is hard to understand. It is very hard to understand why now. What is

even harder to understand, what is even more difficult to reconcile with the proprieties, is that the Minister of Transport, having read in a judgment of a high court that a member of this house, the chief whip of his own party, had said under oath that he had made an agreement of a certain character with the minister, should not have undertaken action on his own and at once to explain what the real facts were. The minister still has not told us when he told the hon. member for Peel about this misunderstanding, nor when he told the other persons involved about the situation. There are still many unanswered questions about this matter and it is to resolve those questions which still affect the word given by a member under oath in a court, and the word given on his responsibility as a minister by a minister of the crown here in this house, that we believe this motion should pass.

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, the reason that prompted me to take part in this debate is more than anything else—and I wish to emphasize this fact —the extraordinary and, as a matter of fact, the very revealing attitude that the government and the Prime Minister (Mr. Diefenbaker) adopted in dealing with this matter ever since it has been brought into the house. Indeed, it is because of the attitude of the Prime Minister that the house and parliament are forced to make an investigation into a matter which should have been brought before a special committee which might have studied this question far more fully than can be done in this House of Commons.

I consider as unparliamentary, irresponsible and unwise the fact that the Prime Minister did not of his own free will institute an investigation into this matter and offer some clarification of statements which are to be found in a judgment of the exchequer court in the Drew case. I submit, Mr. Speaker, it is absolutely contempt of parliament for the Prime Minister to refuse to institute a formal inquiry into the statements of the exchequer court which raises doubt not only as to the propriety of the role played by the hon. member for Peel (Mr. Pallett) but which in fact imply that there may be some doubt as to how far the government, and particularly the Department of Transport, was committed and involved in negotiations or arrangements with persons concerned which, according to the judgment, were considered to be irregular.

I also submit that it was in a narrow and unjustifiable spirit that the Prime Minister attempted to place the opposition in the role of prosecutor and tried to force the opposition to make charges against the hon. member for Peel and to let us understand that if we were not willing to make those charges then we should desist completely from trying to obtain some information or some clarification of this most dubious matter.

The opposition has, of course, cited many precedents where such inquiries as were asked for by the Leader of the Opposition (Mr. Pearson) were made without formal charges being laid, and yet the Prime Minister refuses to have an inquiry made on statements which throw confusion and doubt, not only on the hon. member for Peel but on the activities of parliament, in that it places members of parliament in an unfavourable light. As regretful as this fact may be, I am quite sure that no one in this house will deny that there is unfortunately a large number of people in Canada who feel that politics and politicians are not necessarily synonymous with objectivity and with honesty.

Leaving the records of the court in this particular case as they stand without some explanation will not to my mind help to dissipate the erroneous but nevertheless harmful opinion that many people have of politicians. I submit that no government and no party have the right to allow doubts reflected on the activities of a member of parliament in a transaction which involves the government, and contained in an official document as public as a court judgment, to remain on the records without taking every possible and conceivable means of clarifying all the doubts once and for all, and that not only in the interests of the hon. member for Peel but in the interests and to preserve the prestige and the dignity of parliament and parliamentarians.

I am rather surprised that the Prime Minister and the other members of the government have approached this matter from a rather narrow point of view and that they have so soon forgotten the wonderful speeches they made on how necessary it was to preserve the dignity and the rights of parliament. It appears to me that the true obligation and the true prestige of this house lie not so much in prosecuting or condemning an hon. member as in not allowing anything at all to impair the dignity and the prestige of parliament and that we should do all we can to safeguard and, indeed, to enhance and increase the confidence and the faith of Canadians in parliament and in parliamentarians.

I feel that the Prime Minister's attitude and decision with respect to this matter have all along been contrary to the best interests of parliament and, indeed, contrary to the best interests of the hon. member for Peel. From the moment the Leader of the Opposition questioned the Prime Minister on these important matters concerning the judgment of

the court the house has witnessed the full scope of the Prime Minister's parliamentary tactics, but we have not obtained one solitary piece of information concerning the point at issue. In answer to the Leader of the Opposition's first questions on the matter the Prime Minister replied with what I considered to be one of the finest examples of the Prime Minister's doubletalk in which, of course, he said nothing and meant much less.

Mr. Churchill: What are you quoting from?

Mr. Cardin: Then the Prime Minister tried soft soap—

Mr. Churchill: Would you permit a question, please? You spoke about the Prime Minister's doubletalk. Will you give the exact reference?

Mr. Chevrier: Are you asking a question or making a statement?

Mr. Cardin: If the minister will look at *Hansard*—

Mr. Churchill: I am asking for the page reference in *Hansard*.

Mr. Cardin: I am not quoting anything, but if the minister is interested he will be able, if he can read doubletalk—

Mr. Churchill: You are not quoting anything. You are making a ridiculous statement.

Mr. Cardin: Then, Mr. Speaker, when the doubletalk did not work the Prime Minister tried the soft soap method along with the cunning smile we know so well and the sly references. But even that did not work so he tried the old method of trying to divert the attention of the house from the main topic by attacking the opposition and by also introducing a procedural harangue. Finally, the Prime Minister resorted to the more natural characteristic of his government, that of utilizing an appalling amount of arrogance smothered in sanctimony. Incredible as it may seem, the government in the space of two short years has achieved a degree of domineering arrogance that the Liberals could not possibly have acquired in 100 years.

Mr. Ricard: I think the hon. member does not understand the words he is saying.

Mr. Chevrier: He understands much better than you do.

Mr. Cardin: Not only has the house not yet received any information or any clarification with respect to a transaction which from the judgment of the court itself one could consider as irregular but it is still the intention of the Prime Minister not to give members of the house any information on this important and dubious question now before us.

Mr. Churchill: That is not true.

Mr. Cardin: The result is that a comparatively simple problem, which could have been cleared up long ago by an adequate statement from the Prime Minister, the Minister of Transport (Mr. Hees) or even the hon. member for Peel, has turned into something much more important and much more serious—

Mr. Walker: A witch hunt.

Mr. Cardin: —than the statement of the court with which we are now concerned. The question now is, what does parliament do with a government having an overwhelming majority which absolutely refuses to have a proper inquiry made into statements of a court of justice which imply irregularity on the part of a government member in a transaction in which the government is involved and which cries out for explanation and clarification? There is only one thing that can be done about this matter and I am sure that Canadians will not miss the opportunity of doing so at the next federal election.

Some hon. Members: Oh, oh.

Mr. Grills: That is what you are working for, eh?

Mr. Cardin: We are asking that justice be done.

An hon. Member: Tell us about Gimli airport.

Mr. Cardin: In spite of the statement made by the hon. member for Peel, for whom I have the greatest respect and, indeed, the greatest of friendship, I would feel that the reasons that he gave for not participating sooner in this debate were a little weak. I believe I am on far firmer ground when I say that, and I am far closer to the truth if I say that I think the hon. member for Peel received instructions not to take part in the debate prior to this time and to forgo the opportunity to speak on his own behalf.

An hon. Member: Strictly supposition on your part.

Mr. Cardin: Perhaps, but the supposition I am making now is certainly as strong as the statement the hon. member made a while ago. I may say, Mr. Speaker, that it seems strange to me that the hon. member would not take the opportunity of answering the doubts which, as other hon. members on this side of the house have stated, arise not from the Liberal opposition but from statements

in a court of justice which I feel sure the hon. member owed it to himself and to the house to clarify.

Mr. Churchill: What doubts?

Mr. Cardin: Indeed, if the house is now faced with a motion of non-confidence it is because the opposition felt that the hon. member for Peel should have the opportunity of answering and clarifying these charges.

Mr. Churchill: What charges?

Mr. Cardin: The insinuations that are contained—

Mr. Harkness: The insinuations you made.

Mr. Cardin: —in the court judgment.

Mr. Churchill: What insinuations?

Mr. Harkness: The insinuations you people over there are making.

Mr. Ricard: "Insinuation" is right.

Mr. Chevrier: That is not what the Speaker decided. You had better read the judgment.

Mr. Harkness: He used the right word when he said "insinuations".

Mr. Pickersgill: Who, the Speaker?

Mr. Cardin: I also feel that action on the part of the government aimed at clarifying the situation was called for, not only by the ordinary elementary rules of decency and justice toward an hon. member of the house but by our unanimous dedication to preserve the dignity of parliament and the rights and privileges of its members.

What value can we now place on the many pages of *Hansard* which the Prime Minister has filled with resounding verbiage as to the necessity of preserving the prestige and rights of parliament, in the face of his decision not to allow an inquiry which would achieve that aim, and the absence of which is detrimental to the dignity of parliament?

Did the Prime Minister really believe that the judgment of the exchequer court, which we now have before us, was the type of document which would add prestige and dignity to parliament? Did the Prime Minister think that he was adding to the rights and privileges of hon. members in this house when by his decision and his attitude he effectively denied the right of a member of parliament to answer on his own behalf, to give his side of the story about the matter mentioned in the court judgment? After all, he was a witness in the case. There is no doubt that the Prime Minister has retreated, and not gracefully at that, from his responsibilities to the house and to parliament in connection with this whole matter ever since it has been brought before the house.

I must say I was quite surprised indeed to read an article in the Saturday *Gazette* by Mr. Blakely, the headline of which read, "Prime Minister Opens Way for Pallett Debate". One could possibly get the impression from that headline that the Prime Minister was quite anxious to have this particular debate in which we might be able to clarify so many questions which are now so unclear. To anyone who has been following what has been going on in this house in connection with this subject, nothing could be further from the truth. I would have thought that a headline which would have been more in keeping with the facts would have read something like this: "Prime Minister Shamed by Liberals into Opening Way for Pallett Debate". Even this, Mr. Speaker, would not be quite true because the Prime Minister did not open the way to the debating of this question. The way was already open to members of the opposition by the rules and regulations of this house to which Your Honour himself referred before the Prime Minister spoke on this matter. It was only after second thoughts, after realizing the opposition did have an opportunity of debating this question, that the Prime Minister thought he could be magnanimous about it and let the opposition debate the question, to which they had every right according to the rules.

"Prime Minister Opens Way for Pallett Debate". I only wish, Mr. Speaker, I could be so favourably understood and so well interpreted in statements by members of the press gallery as was the Prime Minister in this very difficult situation. There is no doubt but that Mr. Blakely must certainly have been working under a very serious handicap in order to be able to arrive at that particular conclusion. Of course we in the opposition are not so unrealistic as to expect to be interpreted by members of the press gallery on the basis of the very small print that may or may not exist; we of the opposition would be very happy indeed, and very content if they would just write down what we say. With all respect for Mr. Blakely's opinion, I am still convinced that the Prime Minister did not open the way to the Pallett debate.

As a matter of fact, there has been a marked reluctance on the part of the Prime Minister in connection with this matter, not in order to accuse or condemn or punish the hon. member for Peel but to take the necessary steps to clarify this matter by allowing the hon. member to speak on his own behalf to dispel, if possible, any doubt that might have been created by the judgment. Indeed, this procedure would have let the people of Canada know that parliament does have the power to investigate and to stop practices

that are not in the interests of parliament or the people. It is this reluctance, and the not too subtle use of the procedural technique by the Prime Minister to thwart the opposition in its attempt to clarify this matter which might easily lead us to believe that the government has something more serious to hide than what is contained in the court judgment.

Nor does it require much imagination to suspect that the hon. member for Peel might well be the victim of irregularities which stem far more from the partisan policies and practices of this government than they do from the hon. member himself. Has not the Prime Minister in his decision not to clarify this matter chosen to jeopardize, not only the dignity of parliament and the rights of parliamentarians but the reputation and career of one of his best members in order to save the face of the Conservative party?

Mr. Churchill: That is not true, and you know it.

Mr. Cardin: No matter how much hon. gentlemen opposite may protest, these questions are at the root of the problem that faces the house today. If the Prime Minister continues to refuse to clarify this matter, the answers to these questions will be in the affirmative. We will be justified in claiming that just as the government placed the interests of the Conservative party ahead of the economic stability of this country, as is exemplified by the huge deficit this year, so too they do not hesitate now to place the prestige of their political party before the prestige and dignity of parliament, before the rights and privileges of parliamentarians and even, Mr. Speaker, before the elementary principle of justice and decency toward a fellow Canadian, a colleague in this house, the hon. member for Peel, a living victim to the Conservative sacred cow.

Mr. Chevrier: Is the Minister of Transport going to enter this debate?

Mr. Hees: I think, Mr. Speaker, the hon. member for Peel has cleaned up all the questions that remained to be answered. I do not believe there is anything else to be said.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, there is an amendment to the motion to go into supply now before the house. It was moved by the Leader of the Opposition (Mr. Pearson) in these terms:

> In view of the reasons for judgment of Mr. Justice Thorson in a case concerning the expropriation by the crown of property at Malton, Ontario, and contained in sessional paper 237, a select committee be appointed immediately to investigate and report on all matters connected with this expropriation.

Since the Leader of the Opposition has made his very excellent speech outlining in a fair manner all the aspects of this case as set out in the judgment of Mr. Justice Thorson, the hon. member for Peel (Mr. Pallett) has risen to make a statement. As the hon. member for Bonavista-Twillingate (Mr. Pickersgill) has said, it is unfortunate that the hon. member did not take advantage of the right which he had heretofore to make that statement. While he said that he was unable to speak and felt that he was in a difficult position because of an earlier debate, still we all know in this house that the hon. member could have risen and could have made a statement on a question of privilege or even in the earlier debate. However, he made a statement today and in so far as I am concerned as a member of this house I accept the statement which the hon. member has made. I do not think any member in the house, if he understands his rights, privileges and obligations—and I am sure all of us do—would for one moment not wish to accept the word of an hon. member who rises in his place and says, "Here are the facts as I see them".

None the less, Mr. Speaker, in view of the motion which is before us it is still open to hon. members on this side of the house to place before you and the house, in speaking to this amendment, some of the difficulties which still lie in the way. I propose to do that and I hope that in the course of the intervention which I shall make I shall say nothing which will in the slightest degree be unjust or unfair to the hon. member. However, I want at once to indicate to you, Mr. Speaker and to the house, the entirely different attitude taken by the other side of the house in this debate from that taken in the earlier debate. I want to point out that at least in this debate we were listened to with attention and with care and were followed in the interventions which we attempted to make. That was not the situation on the earlier occasion.

On the earlier occasion we were attacked for lacking courage, being guilty of McCarthyism, being guilty of making innuendos and insinuations and the like. What has been the reason for the change in the attitude of hon. members opposite? Is it because of statements contained in the press? Is it because the government has begun to realize that there was something in the attitude of the opposition which asked for an explanation of the contradictions which existed? Be that as it may, I note with a great deal of satisfaction the change in the attitude in this debate compared with that in the earlier debate.

I say that the object of this amendment is to revive a matter which we tried unsuccessfully to bring before the house on a matter of privilege. We tried unsuccessfully to do it in a motion which was placed on the order paper by the Leader of the Opposition (Mr. Pearson) and on which you, Mr. Speaker, ruled in a fairly lengthy judgment. I have no fault to find with that judgment. Indeed, I submit to the ruling of the Chair which is also, because of the appeal to the house, the decision of the house. But none the less I am quite at liberty to state that in the earlier debate we were prevented from bringing certain matters to the attention of the house for various reasons.

It seems to me that a supply motion is neither the time nor the place to discuss a matter of this kind. In my opinion a supply motion is the time to deal with matters concerning the non-confidence which the opposition has in the government. To my mind a matter of this kind should be discussed on another occasion and that is by way of investigation. I want to say here that this occasion provides me with an opportunity to make some comments in connection with the rights of the opposition in this house concerning the use of supply days. On more than one occasion it has been indicated in this house by the government that we should use supply days for certain debates.

Mr. Churchill: It is your choice, not ours.

Mr. Chevrier: Just a minute. The opposition is entitled to six supply days. They are set aside in the standing orders in order to permit the opposition, on motions to go into supply, to move amendments of non-confidence against the government. Surely, Mr. Speaker, what the opposition does on these motions, what subjects it chooses to debate, are prerogatives of the opposition, not of the government, and should be protected. There has been in this house when we move the adjournment of the house to discuss a matter of urgent public importance an increasing practice to suggest "Oh, the matter is not important enough; we will give you the opportunity of discussing it on a supply motion on Monday". On two occasions when, from this side, we moved the adjournment of the house in order to discuss a matter of urgent public importance the Prime Minister (Mr. Diefenbaker) rose—and I believe also the leader of the house—to say that this was a matter which need not be debated now but which should be debated on a supply motion, and immediately he said "I make that opportunity available". As Your Honour knows full well, the rule sets out clearly what are the reasons for the adjournment of the house on a matter of urgent public importance. The fact that there is going to be a supply motion is not one of those reasons. I therefore deprecate the attitude which is being adopted by the government and on the other side of the house in attempting to curtail the rights of discussion of the opposition by saying to them from time to time, "Oh, you are going to have a supply motion on Monday; raise the matter on that occasion". That procedure I say is an infringement upon the rights of the opposition and places an unfair limitation upon our freedom of action in moving supply amendments.

I should like now to pass on to another consideration in this matter. Why do we find ourselves today discussing this matter? Why do we find ourselves in effect discussing a matter of privilege on a want of confidence motion?

An hon. Member: That is the $64 question.

Mr. Chevrier: My hon. friend says: "That is the $64 question". If there had been an explanation of the contradictions found in the judgment of Mr. Justice Thorson it would not have been necessary to raise the matter as one of privilege at all. But owing to the fact that there was no explanation of those contradictions the opposition now finds itself in its present position. Then one of the reasons why we find ourselves in this position is as a result of the refusal of the government to allow the matter to go to a committee for investigation, as sought by the motion of the Leader of the Opposition. It is because of that fact that we find ourselves moving an amendment to the motion to go into supply. But there are other reasons. Another one is the fact that the government took the position that the matter had to be dealt with by way of a charge, a contention which has now been clearly proven to be totally unfounded. If ever there was a straw-man put up by the government it was when it was stated, both by the Prime Minister and by the Minister of Justice (Mr. Fulton) that a substantive charge must be laid by an hon. member of this house before a matter of this nature could be referred to a committee for investigation. You, sir, I believe clearly disposed of this fetish when in your judgment to be found at page 4930 of *Hansard* of June 19, 1959 you stated:

> On the authorities it appears to be open to an hon. member to confront the house with charges against another member implicit in documents in the possession of the house, but in my view the charge must be there.

Mr. Fulton: Hear, hear.

Mr. Chevrier: The point we are making is that in the judgment there are by implication statements and formulations in the effect and

in the nature of a charge. In fact, there are several precedents which Your Honour referred to and which I will not go into again, namely the Schell and the Daoust cases. But there is also the Boothby case which is quite clear in its implication, where no charge was made and where Mr. Churchill himself said that no charge was made.

There is also the case in our own parliament, namely the Foster case, also known as the Garland case, to which I would like to refer in greater detail, not because a general mention has not been made of it already but because I feel that this is a clear precedent on the question of whether or not a charge should or should not be laid. A motion was made by Mr. A. K. Maclean on March 12, 1915—

Mr. Aiken (Parry Sound-Muskoka): Mr. Speaker, I rise on a point of order. I hesitate to interrupt the hon. member but it appears to me that he is now debating the point which Your Honour decided upon on Friday of last week.

Mr. Speaker: Would the hon. member for Laurier (Mr. Chevrier) speak to that point?

Mr. Chevrier: Mr. Speaker, I do not think that point of order is well taken. I say that in the course of this motion and this amendment I have the right to discuss the whole case and the judgment and thereby the reasons why a charge should not be made but a formulation be charged by way of implication such as set out in this case. Otherwise, if I am not authorized to do this, then surely I am not authorized either to put on the record the Boothby case which was discussed on an earlier occasion and certain aspects of which I wish to place on the record having regard to what has already been said in the debate.

Mr. Speaker: The decision which I made on the point of order was simply to the effect that it was merely a procedural decision and that that motion could not proceed as involving a prima facie question of privilege of the house. If the hon. member wants to refer to those precedents in connection with an amendment before the house I see no reason why he should not do so, but if he is debating the matters which were necessarily involved in my decision I would consider that he would be repeating and would be out of order.

Mr. Chevrier: Could I just say to Your Honour that my intention is not to challenge in anyway the judgment. On the contrary, I am supporting the judgment by anything which I have said already, as Your Honour has probably noticed.

Mr. Speaker: Perhaps I have not made myself clear on this. The motion is that a select committee should be appointed. If the hon. member wishes to use the precedents of the appointment of committees I see no reason why he should not do so.

Mr. Chevrier: Thank you, Your Honour. What I wanted to do was to cite a motion which was made by Mr. A. K. Maclean on March 12, 1915 as reported at page 946 of *Hansard* as follows:

> That sessional papers numbered 122 of the present session of parliament, and all other papers in relation thereto, being copies of correspondence between the Auditor General and the Department of Militia and other departments of government, laid upon the table of the house, in respect to expenditures under the War Expropriations Act, be referred to the committee on public accounts, with power to investigate the matters therein referred to, and to report thereon from time to time.

That is to a large extent the wording of the amendment which is now before Your Honour. If I may proceed I would go on to say that it was recognized during the course of that case that that investigation would imply an inquiry into the conduct of hon. members as indicated in the statement of Mr. Garland uttered in his defence which is to be found at page 947 of *Hansard* of March 12, 1915. Here I quote again from that *Hansard*:

> First of all, since I have become a member of parliament, I have not been in any way whatever interested in contracts with the dominion government, and have never been and am not now, directly or indirectly, by understanding, secret or otherwise, or in any other way whatever, interested in the dealings which Mr. Powell had with the militia department, or with any department.

Sir Robert Borden speaking on the motion realized clearly the same implications of the motion when he said:

> I am also the more inclined to accede to the motion of the hon. member for Halifax for the reason that a member of this house, the hon. member for Carleton, Ontario (Mr. Garland), came to me some time ago and asked that matters in this correspondence that have been commented upon especially in the press of this country as touching his own position in the house should be fully investigated at the earliest possible moment. When the hon. member for Halifax intimated across the floor of the house some time ago that he desired to make a motion for the purpose of referring this correspondence to the committee on public accounts, with the view to investigating the matter referred to therein, the hon member for Carleton at once came to me and asked that, so far as he was concerned, no objection should be made to that motion, and that the fullest opportunity of investigation should be afforded in the public accounts committee.

It would have seemed to me that had the Prime Minister (Mr. Diefenbaker) or the Minister of Transport (Mr. Hees) or even the hon. member for Peel made a motion or suggested that the document which is Mr. Justice Thorson's judgment No. 122, be

referred to the committee, that would have disposed of the matter and that certainly would have been in conformity with the precedent with which I was dealing.

Mr. Speaker, may I call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Chevrier: Mr. Speaker, when the house adjourned at six o'clock I was discussing the so-called Foster case, and I had put on record certain of the statements made by Sir Robert Borden. I think I can summarize the whole thing very quickly, and I am sure Your Honour will not be displeased at my decision so to do, by simply stating that in his summation of the report in connection with Foster, Sir Robert Borden at no point said that Mr. Foster had acted for his private gain or had been guilty of moral wrongdoing. Then Sir Robert went on to say:

> I am not concerned about Mr. Garland; I am concerned about Mr. Foster. He is not shown to have profited in any way by the transaction. He is a very young man, altogether inexperienced in business. What he tried to do was to try to get more money for the horses of his constituents.

The parallel I want to draw here is that what the hon. member for Peel tried to do was to get more money for the land of his constituents than the president of the exchequer court thought it was worth. So that there is a parallel to be drawn between these two cases. In the case of Mr. Foster, the so-called Foster-Garland case, there was no hesitation on the part of Sir Robert Borden in suggesting that the matter be sent to a committee notwithstanding that it was found therein that there was no moral wrongdoing in the case. I thought I should bring that to your attention.

The hon. member for Peel put on record what had been said by Mr. Burke in connection with the duties and responsibilities of a member of parliament, and I would like to put on the record also what one finds concerning that matter in Beauchesne's third edition, citation 20, page 11, which reads as follows:

> Every member as soon as he is chosen becomes a representative of the whole body of the Commons, without any distinction of the place from whence he is sent to parliament. . . . that every member is equally a representative of the whole has been the constant notion and language of parliament. Every member, though chosen by one particular district, when elected and returned, serves for the whole realm.

So in view of this citation, in view of the statement of the hon. member for Peel, and in view of the refusal of the Minister of Transport to make a statement, which I am sure the house would welcome, in order to clear up some of the contradictions, I should like to ask the Prime Minister who is now in his seat these questions. Does a member who unsuccessfully attempts to get funds from the public treasury for his constituents, which they do not deserve, serve in the public interest? Has parliament now decided that a member can with propriety and without any breach of the privileges of parliament go out and seek for his constituents funds from the public treasury which in the circumstances they are not warranted in having? Does a member who seeks to bind the crown by the imposition of valuations which were not in accordance with the actual and true market value of the land serve in the public interest? Has parliament now decided that a member can with propriety and without any breach of the privileges of parliament seek unduly to increase the actual or fair market value of land? Does a member who himself obtains from the valuator the valuations themselves contrary to the practice of the Department of Transport and then turns them over to the minister's executive assistant serve in the public interest? Has parliament now decided that a member can with propriety and without any breach of the privileges of the house act in this manner? Those, it seems to me, without in any way prejudging in any way what has been said by anyone who has taken part in the debate, are some of the questions which in the light of what has taken place in this and the other debate demand clarification on the part of the government.

Now may I turn to another matter which is also germane to the issue and it is this. It is amazing to me that the Minister of Transport (Mr. Hees) has seen fit not to take part in this discussion. Here is a motion of non-confidence. It is a motion of non-confidence in the government affecting the Department of Transport, affecting the officers of the Department of Transport, affecting a member of parliament in so far as his relations are concerned with the Department of Transport, and the minister has seen fit not to say anything. He chooses to say nothing in this debate. He says that he cannot be expected to discuss the judgment. The judgment is not in appeal; the judgment is not sub judice. There are many of us who have discussed the judgment: the Leader of the Opposition at great length; the member for Bonavista-Twillingate; the member for Essex East (Mr. Martin); the member himself who is concerned made certain statements in connection with it; the Prime Minister; and also, I believe, the Minister of Justice. All of them

saw fit to discuss the judgment, and still the Minister of Transport whose department is most vitally interested and certainly closely concerned has seen fit not to rise and take part in this discussion.

Why did the minister appoint the valuator Clare who turned out to be anything but an independent valuator? I think the minister owes it to this house to explain some of the contradictions that are to be found in the judgment. The hon. member for Peel in his explanation earlier in the day said there was a simple misunderstanding between himself and the minister. It seems to me that it is incumbent upon the minister to rise and clear up this misunderstanding. When did the minister tell the hon. member for Peel that he was mistaken? He said that he did not go to court because he was not subpoenaed. Everybody knows that that is no reason for not going to court. One has not necessarily to be subpoenaed in order to go to court. There were a number of contradictions affecting the minister, affecting a member of parliament and affecting officers of the Department of Transport, and still the minister saw fit not to clear up those contradictions. He might well have done so by going voluntarily to court.

Mr. McPhillips: I wonder if the hon. members would permit a question. He says it is not necessary to be subpoenaed. Would the hon. member suggest that a person could take the witness box by force?

Mr. Chevrier: I have not suggested that, and the hon. member has no reason for asking that kind of question because it is not prompted by the statement which I have made. The point that is being made is that the reason given for the minister not going to court was that he was not subpoenaed. Many people go to court without being subpoenaed; many people come forward and give evidence to clear up certain misunderstandings. In this case it seemed to us that there were a number of misunderstandings and contradictions arising out of the judgment and the order of the court which should have been cleared up. It seems to me that the public would have thought better of the minister if he had cleared up those misunderstandings. Does the minister realize that in effect this case was against him? Does he realize—

Mr. Fulton: What case are you talking about, the case you are making tonight?

Mr. Chevrier: I am talking about the suppliant's case, which in effect was a case against the crown in so far as the Department of Transport was concerned, and in that respect since the minister's department was called into question and is at issue, it would seem that he should have cleared up many of the misunderstandings that had taken place. Therefore, I say it is inexcusable, and it is difficult for me to understand why in a matter of this kind the Minister of Transport has not seen fit to take part in this debate. For this and other reasons, and also because of the precedents in the Foster case and the Boothby case which have been discussed already, it seems to me that there is a clear-cut case for the reference of this matter to a committee for investigation. Because of that, I am glad to support the motion made by the Leader of the Opposition.

Hon. Paul Hellyer (Trinity): Mr. Speaker, this afternoon the official opposition asked that a special committee of this house be set up to set the record straight on what can only be described as an extraordinary affair, an affair which involves the rights of individuals against the state as well as the handling of public funds. The evidence is contradictory and should be reconciled. It seems, Mr. Speaker, that some individuals agreed to accept for their homes a new and binding evaluation. They believed that when they agreed to be bound the government likewise was agreeing that it too would be similarly bound under this proposed method of settlement. The hon. member for Peel (Mr. Pallett) told the court under oath that he had a commitment from the Minister of Transport. He told the Canadian Press the same thing after the trial. In addition, he had staked his reputation on his acceptance of the minister's commitment. It must have been so, because no one otherwise would have turned over to another party documents binding the party on whose behalf he was making representations. He must have had in his own mind a clear understanding that the commitment was in fact to be honoured.

The hon. member for Peel has stated categorically that he had a commitment from the Minister of Transport (Mr. Hees). The Minister of Transport has stated equally categorically that there was no such commitment. Here is an obvious clash of testimony. As the evidence unfolds, it becomes increasingly certain that the Minister of Transport should rise in his place in this house and clear the record for the sake of the hon. member for Peel.

The other day he indicated in this house his considerable concern for the little people who were involved in this transaction. He indicated that he was in fact the champion of their rights. I have additional testimony from

one of these little people which I should like to read for the benefit of the house. It reads:

Dominion of Canada, Province of Ontario, county of York } In the matter of the expropriated area at Malton

To wit:

I, Gilbert George White, of the township of Toronto, in the county of Peel,

Do solemnly declare:

1. That my wife and I, prior to its expropriation by the dominion government, were the owners of part of lot 5, concession 7, county of Peel;

2. During the month of October, 1957, on the suggestion of Mr. John Pallett, we entered into an agreement purporting to be with Her Majesty the Queen in the right of Canada, a copy of which is hereto annexed and marked as exhibit "A" to this declaration;

3. The matter not having been satisfactorily settled, I telephoned the Hon. George Hees, Minister of Transport, at his Dunvegan avenue home in the city of Toronto, from a telephone booth in the Cloverdale shopping centre, Dundas street and No. 27 highway, township of Etobicoke.

Mr. Diefenbaker: Is this the original the hon. member is reading from?

Mr. Hellyer: This is a true copy.

Mr. Diefenbaker: The original declaration?

Mr. Robichaud: Don't be so particular, dictator.

Mr. Diefenbaker: Mr. Speaker,—

Mr. Robichaud: Sit down.

Mr. Diefenbaker: I rise on a point of order. This purports to be a statutory declaration. The original must be produced and no alleged copy should be put on the records of the house, or what purports to be a copy.

Mr. Chevrier: It is not a copy.

Mr. Speaker: If the hon. member for Trinity would indicate what he is reading from—

Mr. Hellyer: This is an affidavit duly signed by Mr. Gilbert G. White before a commissioner of oaths for the province of Ontario.

Mr. Diefenbaker: Is that the original?

Mr. Pickersgill: Yes.

Mr. Hellyer: I continue:

4. My wife and Mrs. Aileen Drew, the owner of adjoining property, were present at the time.

5. I asked Mr. Hees what had happened to our signed agreements. He said he had signed the agreements and passed them on to the treasury board, and we would have our money in a week or two;

6. Approximately one month later, our compensation not having been received, I again telephoned Mr. Hees at his Toronto home. I asked him if the agreement had been turned down and he said yes. I told him I understood that it was an agreement we had signed with the government. He replied there was nothing he could do about it;

7. Further, that on or about September 15, 1958, I attended a meeting in the office of Mr. C. S. Booth, assistant deputy minister of transport, Ottawa,

and that Mr. Pallett, Mr. Speers, land agent of the department in Toronto, were present. We discussed the agreement and the evaluation of our property, and I had a copy of the agreement and Mr. Booth had a copy of the agreement present.

And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of the "Canada Evidence Act."

Declared before me in the township of Toronto, in the county of Peel, this 20th day of June, A.D., 1959.

Signed by Mr. Gilbert G. White

The oath was taken by Mr. A. B. Whitelaw commissioner, etc.

Mr. Fulton: Mr. Speaker,—

Mr. Robichaud: Sit down.

Mr. Fulton: I am merely asking the hon. member for Trinity whether he is prepared at once to make available the original of the document he is reading from?

Mr. Speaker: In this instance I think the hon. member for Trinity is reading a signed, statutory declaration. Is that correct?

Mr. Hellyer: That is correct, Mr. Speaker.

Mr. Fulton: May I ask whether the hon. member is prepared to table the document?

Mr. Hellyer: I am certainly prepared to table it with the consent of the house.

Mr. Smith (Lincoln): And the covering letter.

Mr. Hellyer: Surely, Mr. Speaker, this alone is sufficient to justify a full and comprehensive examination by a committee as proposed by the opposition.

Mr. Speaker: Has the hon. member leave to table the statutory declaration which he has read?

Some hon. Members: Agreed.

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

Mr. Robichaud: Come on, transport, get up and speak now.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, dealing first of all with what the hon. member for Trinity (Mr. Hellyer) has just said, I have this to say. I have no recollection of any conversation regarding the Malton valuations with a Mr. White. The conversation he describes did not take place between me and anyone else at any time. It would have been impossible for me to make the statements attributed to me by Mr. White for the following reasons: First, there never was any agreement that the valuations made by Mr. Clare would be accepted by the department and therefore it would have been impossible for me to refer

to any agreements. Second, I signed no valuations for submission to treasury board and no other documents, purposed by Mr. White to be agreements, for submission to the treasury board. Third, there never was any intention or indication of intention to have these valuations submitted to treasury board for consideration before they had been examined by the treasury board staff. This staff has had great experience in examining real estate values.

Had the treasury board staff been able to show that the new valuations were correct I would have submitted them to treasury board in place of the valuations previously submitted by the department. This, however, did not happen. Fourth, it is impossible for any minister of the crown to give assurance that payments will be made until those payments have first been authorized by treasury board. If Mr. White really believes the statement he has made it seems strange indeed that he did not arrange to be called as a witness before the exchequer court when the Drew case was being heard as I believe he has been closely associated with this case for some time.

Mr. Hellyer: Maybe he was not subpoenaed.

Mr. Hees: Mr. Speaker, as I said in the house, in my dealings with the hon. member for Peel (Mr. Pallett) on the question of these valuations it was clear to me that he felt strongly that the previous valuations of these properties were too low and therefore were unfair to his constituents. I am convinced that his interest in this whole matter was to make sure that a fair valuation was placed on these properties. That, I feel, is the duty of every member of parliament in serving those he represents.

I agreed completely with the hon. member for Peel in believing that the misunderstanding regarding acceptance of the Clare valuations by the department may have arisen in the following way. I assured the hon. member for Peel that Mr. Clare's valuations would be submitted to the treasury board staff for examination. He may have understood, and he has said that he did, that the submission was to be to the treasury board itself in which case valuations would have gone forward over my signature indicating acceptance of them by the department. As he has indicated this afternoon, this misunderstanding occurred very naturally over the terms "treasury board" and "treasury board staff".

The Leader of the Opposition (Mr. Pearson) asked me three questions this afternoon which he did not give me a chance to answer and I am very glad to answer them now.

Mr. Pearson: You have a chance now.

Mr. Hees: First of all, I was asked why an independent evaluator was named. The hon. member for Peel came to me shortly after we formed the government in June of 1957. He told me that for several years he had been working on behalf of a group of people in the Malton district who felt that the valuations which had been put on their properties by the Department of Transport were too low and therefore were unfair; that he had brought this matter to the attention of the former government and had got nowhere at all with them and that he felt very strongly about the matter. He asked me to help him to find out whether or not these valuations were fair, and he believed very strongly that they were not. So, because this government is interested in helping the little people, the small people, the people who are normally pushed around by bureaucrats and who were pushed around by the former autocratic government which had been in power a great length of time and obviously cared nothing for the welfare of little people—

Mr. Pickersgill: How about Mr. White?

Mr. Hees: —and because this government believes it should go to every practical and possible length to make sure that the little people of this country—

Mr. Pickersgill: That the little people are fooled.

Mr. Hees: —receive a square deal and do not get pushed around, for that reason I agreed to the appointment of an independent valuator.

Mr. Pickersgill: Knowing you would not take his valuation.

Mr. Denis: A Tory organizer.

Mr. Hees: I did so to find out if there was anything he could bring to light which would indicate clearly that the previous valuations had been too low and were unfair, and I agreed that I would submit these valuations for scrutiny by an independent group experienced in examining real estate valuations because they examine a great many during a year submitted to them by all departments, that independent group being the treasury board staff.

The independent valuator, Mr. Clare, was appointed after the department satisfied itself that his qualifications were satisfactory and I enunciated those qualifications in the House of Commons when I was speaking on my estimates a week ago last Thursday. When Mr. Clare turned in his valuations for these properties they were submitted to the treasury board staff for examination and the result of that examination was that they believed that the valuations were too high, were not correct

and could not be supported, and for that reason they were not submitted by me to treasury board for their approval. The matter then went to the exchequer court, which is the correct procedure when there is a dispute that cannot be settled in this way.

Mr. Pickersgill: That should have been done in the first place.

Mr. Hees: That deals with the first question, why was an independent evaluator appointed. Second, the Leader of the Opposition asked me why we attempted to bind the property owners only. The answer is that six valuations had been made by evaluators working for the Department of Transport and none of those evaluations had been accepted by the small group of home owners in question, even though a very large number of home owners in the area had accepted those evaluations. The department wanted to make sure that if the study by the treasury board staff indicated that these evaluations were correct, the evaluations submitted by Mr. Clare were correct and should be submitted to the treasury board for approval, and if the treasury board passed these evaluations, then this long drawn out matter could be virtually concluded.

The hon. Leader of the Opposition asked why we did not attempt to bind both the government and the property owners. The answer is obvious. It is impossible to bind the government in a matter of this kind, and he knows it quite well. But in an attempt to bring an end to this matter which had been started by the government of which the Leader of the Opposition was a member and which had dragged out for some years, and since there had been five or six evaluations previously which had not been accepted, it was thought this was the best way to bring the matter to a culmination.

Then, third, he has asked me, why did I not correct the misunderstanding in the mind of the hon. member for Peel? The answer is that I believed that he understood the basis upon which we were working while these evaluations were made, and of course when the evaluations were turned down by treasury board staff, then the whole matter was well known. I believe that concludes the questions which the Leader of the Opposition and others have asked me, including the hon. member for Trinity. I assume that disposes of the matter they have tried to raise.

In conclusion, I simply want to say this.

Mr. Pickersgill: May I ask the minister a question?

Mr. Hees: Yes.

[Mr. Hees.]

Mr. Pickersgill: Does he want to make any comment on the questions which I asked him?

Mr. Hees: What were they?

Mr. Pickersgill: The most important question was, why he did not inform these people, the little people, before they went to the court that there had been a misunderstanding? Why did he allow them to go into the court? Why did he let the Minister of Justice (Mr. Fulton) take this case into court with this misunderstanding?

Mr. Hees: In answer to the hon. member's question, the people knew quite well that these evaluations had been reviewed by the treasury board staff and had not been accepted.

Mr. Pickersgill: When were they advised?

Mr. Hees: I have no idea, but it was well known before this matter went to the court, otherwise the matter would never have gone to the court. The hon. member knows that quite well. I should like to ask him why he thinks the matter was taken to court if there had been an agreement between the department and the property owners?

Mr. Pickersgill: I will answer that right away. The answer is right in the judgment itself, if the minister had ever taken the trouble to read it. The matter was taken to court because the suppliant argued that there was an agreement and that was what the suppliant took to the court. If the minister took the trouble to read the document he would know.

Mr. Hees: The answer to that silly statement is that there was never the slightest evidence to these people, except through a misunderstanding between myself and the hon. member for Peel, that there had been any agreement whatever.

Now, Mr. Speaker—

Mr. Pearson: The minister forgot one of my questions. I asked him this, were the statements of the judge on page 7 of the judgment accurate, namely:

> It is clear, of course, that Mr. Pallett knew the need for approval of the treasury board, but he stated that the minister said that he would take the responsibility.

Mr. Hees: The responsibility I took was to submit these evaluations to the treasury board staff, and the hon. member knows that quite well. This has been made very clear indeed.

Now, in conclusion, I simply want to say this. The hon. member for Peel acted in every way as a good member of parliament should act. He felt these evaluations were too low. He felt the people in his riding were

not getting a square deal, and he did everything possible to see that they got a square deal; no more and no less, and that is the duty of every good member of parliament. As I have stated earlier, that is something that the members of the party of which the Leader of the Opposition is a member find it very difficult to understand.

Then, the department of which I have the honour to be in charge, the Department of Transport, in every degree acted correctly in this matter from start to finish, and the Leader of the Opposition and every member knows it quite well.

Mr. Pearson: The department did, that is right.

Mr. Hees: My whole purpose in having a further evaluation made was to see if, in the past, there was anything to indicate the valuators had erred or done an injustice to the small people of Canada, the people in the hon. member for Peel's riding, the people who needed to have somebody stand up and fight their battles for them, something the Leader of the Opposition does not seem to understand. It was in that vein I tried in every way to find out if an injustice had been done. The advice I received from the experts indicated that it had not been done and therefore I did not recommend these evaluations to treasury board. I believe that, Mr. Speaker, sums up this whole question.

Mr. Pickersgill: There is one other question.

Mr. Hees: Just a minute; sit down, I have the floor.

Mr. Pickersgill: Well, I asked—

Mr. Hees: Sit down, I said.

Some hon. Members: Order, order.

Mr. Pickersgill: I am asking the minister a question. He said he would answer any questions.

Mr. Speaker: Order. If the hon. member who has the floor does not yield, the member cannot ask a question.

Mr. Pickersgill: I want to ask the minister a question, but if he is afraid to listen to it—

Mr. Hees: Go on; let us have it.

Mr. Pickersgill: My question is this. Did the hon. member for Peel know before he testified in court that there was a misunderstanding because the judge said that Mr. Pallett asserted that the minister had accepted the proposal. The judge said that Mr. Pallett asserted this under oath. I am asking the minister, did the hon. member for Peel know of this misunderstanding before he went into court?

Mr. Hees: That, Mr. Speaker, is obviously something that even the hon. member for Bonavista-Twillingate should know he must ask from the hon. member for Peel and not from me. He is asking me did somebody else know something, and obviously he should ask the person to whom he is referring.

I say that the reason this whole thing has been brought up is because the opposition cannot understand a first class member of parliament like the hon. member for Peel doing what any honest, hard-working, conscientious member of parliament would do, doing what every Conservative member of parliament does, and doing what members of the party of the Leader of the Opposition do not do. If they had done so, they might have been over on this side still. One of the reasons they are sitting over there is that in 22 years they forgot there were people like the small people, the little people, the ordinary people of Canada. That is why you are going to stay exactly where you are a long time until you move a little further down the aisle, until you move to Mr. Speaker's immediate left; and when you start your speeches, you will start off by saying, "Mr. Speaker, we in this group". Some day you and your party will remember that there are little people—ordinary people, the finest people in the world, the average citizen of Canada—to stand up for and fight for and that they should not be ignored as they were by the government of which you had the privilege to be members. On that day you may have some chance of coming back over here; but I would say that would not be for a generation or so.

Mr. Speaker: Before I put the question, may I say that I interpret the motion as a declaratory one rather than one that would in itself constitute a committee. There is here a procedural problem in that rule 41 requires that 48 hours' notice be given for the setting up of a committee. I therefore read the motion as though it read "a select committee should be appointed immediately to investigate". The question is on the amendment.

The house divided on the amendment (Mr. Pearson) which was negatived on the following division:

YEAS

Messrs:

Argue	Boivin
Badanai	Bourget
Batten	Bourque
Benidickson	Cardin

Division

Caron
Carter
Chevrier
Crestohl
Denis
Eudes
Forgie
Godin
Granger
Hardie
Hellyer
Herridge
Howard
Leduc
Macnaughton
McIlraith
McMillan
Martin (Essex East)
Meunier
Pearson
Pickersgill
Ratelle
Regier
Richard (Ottawa East)
Roberge
Robichaud
Winch—55.

NAYS

Messrs:

Aiken
Aitken, Miss
Allard
Allmark
Anderson
Baldwin
Barrington
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Best
Bigg
Bourbonnais
Bourdages
Brooks
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Cardiff
Casselman, Mrs.
Cathers
Chambers
Clancy
Coates
Courtemanche
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Dorion
Doucett
Drysdale
Fairclough, Mrs.
Fairfield
Fane
Fleming (Okanagan-Revelstoke)
Forbes
Fraser
Fulton
Gillet
Grafftey
Grills
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hanbidge
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Jones
Jung
Kennedy
Knowles
Korchinski
Kucherepa
Lahaye
Lambert
Macdonald (Kings)
Macdonnell
MacLean (Queens)
Macquarrie
McBain
McCleave
McFarlane
McGee
McGrath
McGregor
McIntosh
McLennan
McPhillips
Maloney
Mandziuk
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nowlan
Nugent
O'Leary
Ormiston
Pascoe
Paul
Payne
Pearkes
Phillips
Pigeon
Pugh
Rapp
Rea
Regnier
Ricard
Rogers
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Speakman
Stanton
Stearns
Stefanson
Taylor
Thomas
Thompson
Villeneuve
Vivian
Walker
Webster
Weichel
White
Winkler
Wooliams—138.

[Mr. Speaker.]

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

Some hon. Members: Question.

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

The estimates of the following departments were first taken up and entered for consideration:

LEGISLATION

The Senate—

The Speaker of the Senate—

174. Allowance in lieu of residence, $3,000.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

A—Department—

238. Departmental administration, $1,601,785.

POST OFFICE DEPARTMENT

294. Departmental administration, including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $1,915,483.

Progress reported.

VETERANS' LAND ACT

AMENDMENTS TO PROVIDE FURTHER ASSISTANCE FOR HOME CONSTRUCTION, TO FARMERS AND FISHERMEN, ETC.

Hon. A. J. Brooks (Minister of Veterans Affairs) moved that the house go into committee on Bill C-50, to amend the Veterans' Land Act.

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

On clause 1.

Mr. Brooks: Mr. Chairman, in the resolution introducing Bill No. C-50 presented to the house I gave a detailed outline of the nature and purposes of the proposed amendments to the Veterans' Land Act, and I do not think it is necessary at this stage to make a lengthy statement in regard to these same explanations. We are about to consider the bill clause by clause and I will be glad to comment on each one if necessary and answer any questions which hon. members may ask.

As you know, Mr. Chairman, the bill was referred to the standing committee on veterans affairs and it gave it its usual careful and conscientious attention. In its report to the house the committee made certain recommendations, two of which were of a specific nature and involve amendments to this bill. These amendments are related to section 36 of the act, and section 76 as it appears in clause 20 of the bill. I am pleased to inform you, Mr. Chairman, that the government has given favourable consideration to these recommendations and my colleague, the Minister of National Health and Welfare, will move the necessary amendments accordingly.

Mr. Benidickson: Mr. Chairman, we do not want, of course, to anticipate another resolution on the order paper. On the other hand the Minister of Veterans Affairs will recall that when his estimates were before the committee on veterans affairs it became evident that we have here under his administration an exceptional group that were experienced in appraising, particularly agricultural land. I wonder if the minister would indicate whether or not this force is likely to be utilized in connection with any extension of agricultural loans in other fields?

Mr. Brooks: Mr. Chairman, this hardly comes under the first clause of this bill, and I assume the hon. member is speaking in general on the bill. The appraisers and supervisors to which he has called attention, of course, will still be continued under the Veterans' Land Act. The other bill to which he refers has not been before the house, and I do not think, Mr. Chairman, that I could give the information which is contained in the bill of the Minister of Agriculture until such time as that bill is before the house.

Mr. Benidickson: Mr. Chairman, I can well understand the reticence of the minister, but on the other hand it became very clear, not when we were in committee on this bill but when we were in the veterans affairs committee on the estimates of the minister that $5,480,000 odd is required to administer the Veterans' Land Act, and it was clear that this was in the nature of a subsidy. The actual effective rate, I think, for veterans loans was 3½ per cent. I am not going to refer to the current interest rate that is prevailing even on a short term basis, but everybody in this house is aware of it and it is much beyond the 3½ per cent effective rate for Veterans' Land Act loans.

There was evidence when the minister's estimates were before us, as I recall it, that the gross value of loans outstanding was, shall I say, $100 million. The minister will verify that figure for me. But in any event it was said by the officials that the amount of applications were not as important in the current year as they had been in past years and were likely to be less important in quantity in future years. It was also said that this fairly skilled staff of appraisers could not be reduced in proportion to the smaller amount of applications and the smaller amount of loans that would come forward henceforth under the Veterans' Land Act legislation.

It appeared to me at the time that I was a member of this committee that this highly trained body of appraisers should be utilized. In fact the director of the Veterans' Land Act said there was nowhere in Canada the equivalent either in quantity in talent or in ability, that is now available intact under the administration of the Veterans' Land Act for appraising and for advising on and supervising loans which might be made to agricultural borrowers. Surely the minister, knowing that this load of responsibility is going down not only in quantum dollar value of borrowings but in the number of applications, and since he knows that his colleague, the Minister of Agriculture, is introducing a new element for farm borrowing, can tell us whether they got together to decide whether or not the state can save money by the utilization of this trained personnel for supervised loans to farmers.

The resolution in the name of the Minister of Agriculture indicates that for the first time some supervised loans might be developed. Is there going to be economy; is there going to be some kind of co-ordination, because I am satisfied that the same number of civil servants—and they are very capable —that we now have in the Department of Veterans Affairs supervising Veterans' Land Act loans of about $90 million to $100 million could take on an additional $100 million without any increase in over-all civil service staff. I wonder whether the minister has given this some thought?

Mr. Brooks: Mr. Chairman, the hon. member is asking me to state what will be in the bill which will be brought down by the Minister of Agriculture.

Mr. Benidickson: No; I am asking whether there has been some co-ordination, some discussion with your colleague about this?

Mr. Brooks: I will go this far and say that, since I realize the good judgment of the Minister of Agriculture and his department, I am quite satisfied that he and his department will use this splendid body of trained men. I agree entirely with my hon. friend that there is no body of men in Canada who understand better the situation as far as the supervision of agricultural work is concerned, whether it be the Veterans' Land Act

or any other act, than these same supervisors who are part of the staff of the Veterans' Land Act. I might say that in discussion with the Minister of Agriculture and also in discussion with the Minister of Finance on the loans act, I understand it is their intention—and I think it is hardly fair to ask me to state what is in the bills which are to come down later—to utilize this splendid body of men for the supervision, not only of the Veterans' Land Act but also the loans act under the Department of Agriculture and the Department of Finance. Farther than that, Mr. Chairman, I do not think I should be asked to go.

Mr. Benidickson: I appreciate that. I think every member of the committee realizes that the load of loans in dollar volume do not justify the present staff under the Veterans' Land Act administration. I was satisfied as one member of that committee that the volume of agricultural loans could be supervised and handled and appraised by the same staff that is already in the civil service. When we listen to the proposals in the resolution standing in the name of the Minister of Agriculture, I hope we will learn that some coordination has developed.

Mr. Herridge: Mr. Chairman, in view of the discussion we had on second reading and the very thorough discussion of this bill and the consideration that was given it by the committee on veterans affairs, I do not think there is any necessity to speak on the first clause. I think I shall deal with the suggestions we have to make when we reach the various clauses in question. However, I do want to say, Mr. Chairman, that the members of the committee, after examining the administration officials of the Veterans' Land Act and other witnesses, were more than ever impressed with the excellent work being done by this administration and particularly with the, shall I say, supervised credit aspects of the administration which, in the opinion of the committee as a whole, regardless of party membership, sets a model for other agriculture credit legislation. Not only did the committee report unanimously, but so did also the representatives of the Canadian Legion. I just want to quote briefly from their submission to the committee as presented by Mr. D. M. Thompson, director of the service bureau, in respect of this bill. In this brief I read:

> The Canadian Legion welcomes this opportunity to appear before the committee concerning Bill C-50.
>
> We would, first of all, like to commend the introduction of this bill. We believe that the benefits of the Veterans' Land Act have been invaluable to those veterans established under this legislation, but this bill will make it even more valuable and will encourage many more to participate. We also want to express our appreciation to the director, and his staff for the excellent work that they have done down through the years to ensure that the full spirit of the Veterans' Land Act legislation has been met. They deserve a great deal of credit for the success of veteran farmers.

I might say that when this portion of the brief was read it was received with applause from all members of the committee.

The Legion did make a few suggestions with respect to amendments to this bill. They suggested that clause 15, which sets a ceiling of $10,000 on loans, should perhaps be increased to $10,500 to provide what they termed a slight cushion for increases which would probably occur between now and the next amending of the act. The committee discussed this matter and realized the Legion's intention in this respect, but did not see fit at the time to recommend this increase in the amount in clause 15.

Then, with respect to clause 20, they made further representations to increase the amount from $20,000 to $25,000. The committee discussed this recommendation quite thoroughly and with sympathy and I think it is fair to say that generally they came to the conclusion that, in view of the amount being raised to $25,000, they would be making a good step in that direction and possibly the experience of the years ahead would give us further ground for asking for the increase the Legion asked for in this section.

Mr. Chairman, that is all I have to say at this time except in conclusion to say that, like other members of the committee—and I think this was generally expressed in the committee—we all hope that the new agricultural credit legislation to be introduced by the government will be patterned to quite an extent on the Veterans' Land Act legislation and that it will make provision for supervised credit. I want to say frankly, Mr. Chairman, it is the opinion of this group that with respect to the supervision of agricultural credit for other than farmer veterans we could not do better than utilize the trained personnel of the Veterans' Land Act administration.

Mr. Forgie: Mr. Chairman, I should like to make a few remarks regarding this legislation. In the first place, may I say that since I came to the House of Commons I have never seen a more efficient brief presented to a committee than that presented by the director of the Veterans' Land Act administration. I am disappointed that the legislation regarding extended mortgage credit to farmers has not been introduced by the Minister of Agriculture. If that legislation had been brought down before continuing consideration of this legislation I think we would

have been in a position to discuss the matter much more intelligently than we are at the present time because we are in the dark as to what the legislation to be brought forward by the Minister of Agriculture really contains. For that reason I am more or less at a loss because I would have liked to be able to discuss this legislation on the basis of knowledge of what the other contains. As the director stated in his very excellent brief:

> By far the most important amendment proposed in this bill is the one providing for a very substantial increase in the part III loans available to veterans certified to be qualified as full-time farmers, and who are now, or who may be in the future, settled under part I of the act.

The definition of a family farm unit given by the director was accepted by the committee. He said that a family farm unit is an organized assembly of farm lands, farm buildings, livestock and equipment which can be managed and operated by the owner and his family and which, under his management, will produce enough net income to pay three-quarters of its cost with interest amortized over a period of 30 years, pay the cost of good maintenance, and leave enough to supply the farmer and his immediate family with a typical Canadian standard of living. The members of the committee agreed that the original loan ceiling of $6,000 to a full-time veteran farmer was entirely inadequate, and I do not think any member of the committee would disagree with that statement. Many of us were prepared to raise the ceiling to $25,000 but the amount agreed upon ultimately was $20,000 which I believe will be sufficient in the majority of cases. I expect that the new legislation to be brought forward by the Minister of Agriculture will have a ceiling of $20,000 as well.

The experience of the government with the Soldier Settlement Act was a very unhappy one, as we all know, and probably that is why we made haste slowly in the development of a satisfactory ceiling under the Veterans' Land Act. The Veterans' Land Act is terminable legislation. The Canadian farm loan board is self-sustaining and has been since its inception.

Mr. Benidickson: It even pays income tax.

Mr. Forgie: The Veterans' Land Act is definitely subsidized legislation but the statement of the Canadian farm loan board showed a profit of $210,000 last year, I believe.

Mr. Benidickson: And it pays income tax on its profit.

Mr. Forgie: Right. I have no quarrel, of course, with the subsidization feature of the Veterans' Land Act. The act was passed with that in view and I do not think anybody will quarrel with that situation. Nevertheless it differs from the Canadian Farm Loan Act which is about to be repealed.

If you will look at item 466 in the estimates, Mr. Chairman, you will see that the cost of administration of the Veterans' Land Act, Soldier Settlement Act and British family settlement is $5,125,331. The Canadian farm loan board, on the other hand, has paid its way to date. It represents sound Liberal administration in this regard. The 1958 statement shows a net profit of $210,000, with money borrowed from the government at 4⅛ to 4⅜ per cent. It will be interesting to see whether or not the new legislation to be introduced by the Minister of Agriculture, which will provide for a system of long term mortgage credits to farmers, will not become subsidized legislation as well.

I am not suggesting that the Veterans' Land Act should be self-sustaining. That was not the intention of parliament when the act was passed. But I am drawing the attention of members of the house to this difference between the Veterans' Land Act and the Canadian Farm Loan Act which is about to be repealed. I doubt very much if at the prevailing rates of interest the new legislation to be brought down by the Minister of Agriculture will be self-sustaining. I think it will be a subsidized piece of legislation.

As I said, I emphasize the point that the Veterans' Land Act is terminable legislation. Its operations will come to an end within a measurable time. The new farm legislation will probably remain in force for some years. According to the director of the Veterans' Land Act, since 1957 approximately 277 members of the Veterans' Land Act staff have passed examinations and qualified as appraisers. The Veterans' Land Act administration has on its staff just about half the accredited appraisers of Canada. Certificates of qualification are given by the Canadian institute of appraisers before whom these appraisers appeared to take their examinations.

The director further stated, as found on page 288 of the proceedings of the committee, that during the past year, in addition to their own appraisal work, these Veterans' Land Act appraisers have done appraisals for seven other departments of the government, including 348 for the succession duties branch.

The professional training these appraisers have taken has been of tremendous value and is vital to the success of any farm credit scheme. Men dealing with farm credit must, according to the director, possess special qualifications. They must, for instance, be able to judge whether the loan requested will make possible the assembly of a farm unit

which will afford the farmer and his family a good living and at the same time maintain and pay for itself. We have the word of the director that such credit men are very hard to come by.

Out of 76,000 veterans settled under part I of the act, that is, full-time farmers, only 182 have had to be put off their properties for one reason or another. Although collections amount to over $20 million a year, under $12,000 remains due and owing over three years. This is a remarkable achievement. Full-time farmers under the Veterans' Land Act are being well served. As I said, loans under the act are showing a steady decline as is to be expected and before too long the Veterans' Land Act appraisers and supervisers will be compelled to seek other employment unless jobs are found for them. It has been shown that the important people in the Veterans' Land Act organization are the people on the ground, that is, the appraisers, supervisers and credit men.

The director stated that his men are well trained and experienced in assisting farmers to prepare plans for the organization and operation of their units. He pointed out that much of their time is spent on this and in going with the farmer to visit successful and well organized operations. In the final analysis, the director said, the plan must be the farmer's own and completely acceptable to him because he is the man who has to make it work.

If these highly trained officials were not available the administration of the Veterans' Land Act would be seriously handicapped. So, Mr. Chairman, the administration now has a staff of highly trained men who can not only handle the additional work brought about by the extra farm credit set forth in the amendment of the Veterans' Land Act but can, I believe, take over the appraisal and field work required in the administration of the new legislation about to be enacted and also in connection with the Farm Improvement Loans Act. The director of the Veterans' Land Act administration assured the committee that he not only had a highly qualified administrative staff but a very capable group of appraisers and credit advisers. He further stated, and this is significant, that without this efficient organization he would not be prepared to recommend the type of credit legislation introduced by this amendment which raises the permissible amount of the loan for a full-time farmer to $20,000. In speaking at Edmonton last year the Minister of Veterans Affairs said:

> Undoubtedly a good deal of the credit for this fine record belongs to the Veterans' Land Act field supervisors who have become experts in advising the settlers on how to use their resources to the best advantage in order to neutralize, to some extent at least, any unfavourable prices for farm products. The Veterans Land Act officials are presently engaged in a survey to determine what is needed to improve the incomes of our full-time farmers. So far they have analysed reports on the farm business of over 3,000 settlers and have found that the key to the problem for most of them is more capital. The survey is continuing, and we are studying the possibility of making more supervised capital available to these farmers.

I believe that is the statement the minister made. The survey has now been completed on 5,000 farms and a report made to the minister. The present amendments, I am quite satisfied, stem from the reports on these 5,000 farms.

As we know, it is the intention of the administration to repeal the Canadian Farm Loan Act and introduce other legislation. The Canadian farm loan board is short of qualified appraisers and credit advisers such as those possessed by the Veterans' Land Act administration. It was pointed out by the chairman of the Canadian farm loan board that 25 per cent of the loans they have made have been for consolidation of debts, and it may be that there has been a significant increase in loans for this purpose. Many farmers, apart from veteran farmers, really cannot make a go of it because their acreage is too small, the amount of livestock inadequate to operate economically, or they lack farm machinery.

The amendments to the Canadian Farm Loan Act in 1958 did not result in any improvement in conditions prior to the amendments, other than to provide additional funds which will be increased when the Minister of Agriculture introduces his long awaited farm policy and presents legislation necessary to carry into effect the proposed measure for long term mortgage credit. The opinion expressed by the two largest agricultural organizations in Canada is to the effect that, with its present administrative set-up, the Canadian farm loan board cannot base its lending decisions on the intimate knowledge of farming conditions and appraisal of the personal capacities of the borrower which are necessary to a flexible and helpful lending policy. These organizations recommend the setting up of regional advisory committees which could work with the loan board officials. Mortgage and insurance companies can find more lucrative and less risky loans than farm loans, and so the government must find a practical source of credit for our farmers, especially long term credit with reasonable interest rates. At the present time the ceiling for loans under the Canadian Farm Loan Act is $15,000. As we all know, it is expected and I am quite sure it will happen when the new legislation is introduced

that this ceiling will be increased to $20,000 to conform to the provisions of the Veterans' Land Act.

Mr. Brunsden: Will the hon. member permit a question? Is the hon. gentleman confused between the Veterans' Land Act and the Canadian farm loan board? They are two entirely different matters. The question we have before us is the amendments to the Veterans' Land Act and the hon. member is discussing the Canadian farm loan board which may or may not come up later.

Mr. Forgie: I quite appreciate that, but what I am leading up to is that legislation will be introduced which will eventually lead to the repeal of the Canadian Farm Loan Act, the introduction of farm improvement loans as well as these amendments to the Veterans' Land Act. It is a question of economy of operation, and that is the point to which I was coming, if the hon. member will let me do so.

As I was saying, mortgage and insurance companies can find more lucrative and less risky loans than farm loans, so the government must find a practical source of credit for our farmers, especially long term credit with reasonable interest rates. At the present time the ceiling for loans under the Canadian Farm Loan Act is $15,000. This ceiling will be undoubtedly increased to $20,000 to conform to the provisions of the Veterans' Land Act. There is no central body responsible for coordination of the farm credit service. This is a deficiency that could be remedied by the creation of a farm bank, and that is the policy we on this side of the house will enunciate when the legislation is introduced by the Minister of Agriculture.

I think that is about all I have to say at the present time except that, as my colleague the hon. member for Kenora-Rainy River has stated, we all hope that these experienced men with the Veterans' Land Act administration will be afforded the opportunity to continue in their useful service which they have been performing for the past four years.

Mr. Carter: Mr. Chairman, in his opening remarks the minister referred to two amendments which resulted, I think, from an examination of sections 36 and 76 of the act. I believe these two amendments were recommended by the committee. However, there was a discussion of another possible amendment in the committee which revolved around the position of those veterans who have been considered as already established under this act.

These veterans fall into two classes, those who have received their title and those who have continued to leave their title with the Department of Veterans Affairs. It appears that those who have left their titles with the department, although they are established, are eligible to receive further loans under this act, while those who have accepted their titles are not. A considerable amount of time was given over to the discussion of this point in the committee. Some members felt that when a veteran was established, he was established once and for all and there was no further obligation or commitment to do anything else for him. There were some members who contended that it would be introducing a new principle to establish a veteran twice if he were to receive loans under this act.

There were others, and I was included amongst this second group, who felt that although a veteran had been established it would be the wish of parliament and I am sure of the department that he should remain established. We are all aware of the changing conditions which are taking place so rapidly that a person's income can be affected overnight. If a veteran needed more money to enlarge his operation or to get more modern equipment in order to remain an economic unit we felt he should be entitled to receive it under this act. Since those who had elected to leave their titles with the department appeared to be eligible for this we saw no reason why those who had accepted their titles should be excluded.

There was no definite decision on this matter in the committee, but it was something we hoped the minister and his colleagues would consider favourably in the case of veterans who might need additional assistance, even though they might have been considered to be established. In my opinion it is unfortunate, as other members have pointed out, that this legislation is being dealt with before the new legislation or the new amendments to amend the Canadian Farm Loan Board Act are brought in by the Minister of Agriculture. We do not know what terms will be available to farmers under that piece of legislation. We are all anxious that under this legislation the veteran should at least be treated as generously as the non-veteran under the Canadian Farm Loan Board Act. In the case of the veteran who has already been established, we feel that he would like to remain under the Veterans' Land Act, and we hope that the treatment he will receive under this legislation will at least be the same as that which he would receive under the Canadian Farm Loan Board Act.

There was just one question I should like to ask before I sit down, Mr. Chairman and it is not one to which I think we obtained a definite, clear cut answer in committee.

The question is this. How much actual mortgage debt is outstanding now under this act? How much in loans is still outstanding under the present act?

Mr. Brooks: Mr. Chairman, I am sorry but I do not believe I could give the exact amount. I will give the answer on my estimates. As far as the loans are concerned and as far as payments are concerned, I might say that I think there is less than one per cent owing by the veterans to the department. As far as their loans are concerned, they are almost 100 per cent complete. The other information I will have for the hon. member for Burin-Burgeo on the estimate.

Clause agreed to.

Clauses 2 to 9 inclusive agreed to.

Mr. Monteith (Perth) moved:

That Bill No. C-50, an act to amend the Veterans' Land Act, be amended as follows:
(a) by adding thereto, immediately after clause 9 thereof, the following clause:
"10. (1) Subsections (1) and (2) of section 36 of the said act are repealed.
(2) Subsections (4) and (5) of section 36 of the said act are repealed".

The Deputy Chairman: Is it the pleasure of the committee to adopt the amendment?

Amendment agreed to.

Mr. Monteith (Perth) moved:

That Bill No. C-50, an act to amend the Veterans' Land Act be amended by renumbering clauses 10 to 20 thereof as clauses 11 to 21 respectively.

The Deputy Chairman: Is it the pleasure of the committee to adopt the amendment?

Amendment agreed to.

The Deputy Chairman: Shall new clause 10 carry?

Clause 10 (new) agreed to.

Clauses 11 to 20 inclusive (old clauses 10 to 19 inclusive) agreed to.

On new clause 21 (old clause 20):

The Deputy Chairman: There is an amendment with respect to section 76 under part III with regard to farm improvement assistance.

Mr. Monteith (Perth) moved:

That Bill No. C-50, an act to amend the Veterans' Land Act be amended by striking out lines 4 to 8 on page 12 thereof and substituting therefor the following:
"76. Notwithstanding anything in this part, no loan shall be made under this part
(a) except with the approval of the minister, to a veteran who is in default under a part I contract, or
(b) to a veteran who is indebted in respect of any loan made pursuant to the Veterans Business and Professional Loans Act."

Amendment agreed to.

[Mr. Carter.]

The Deputy Chairman: There is another amendment adding a clause to the bill.

Mr. Monteith (Perth) moved:

That Bill No. C-50, an act to amend the Veterans Land Act be amended by adding thereto the following clause:
22. The schedule to the said act is repealed.

Amendment agreed to.

Clause as amended agreed to.

Title agreed to.

Bill as amended agreed to.

Bill reported, read the third time and passed.

DEFENCE SERVICES PENSION ACT

AMENDMENT TO REVISE AND CONSOLIDATE CERTAIN PROVISIONS

Hon. G. R. Pearkes (Minister of National Defence) moved the second reading of Bill No. C-62 respecting the superannuation of members of the Canadian forces.

Mr. Roberge: Is the minister going to make a statement?

Mr. Pearkes: Mr. Speaker, I made a complete statement when this bill was in the resolution stage. All I can say now is to repeat the statement I made then, namely that the bill is to simplify the administration of the act and to bring the pension scheme for the armed forces in line with the Public Service Superannuation Act and the act we introduced to amend the Royal Canadian Mounted Police Act. I think it will appeal to all members of the house in that it provides superannuation benefits for the dependents of service men other than officers and it also removes the provision that previously made it possible for extremely young service men to receive a pension.

Mr. Gabriel Roberge (Megantic): Mr. Speaker, at the resolution stage my colleague the hon. member for Trinity (Mr. Hellyer) expressed the opinion of the opposition with regard to this proposed bill. We do not have anything more to add at this time but we shall have some questions to put to the minister when we reach the committee stage.

Mr. W. M. Benidickson (Kenora-Rainy River): Before the minister closes the debate, Mr. Speaker, may I say this. We all know that at one time in his distinguished career he was a member of the Royal Canadian Mounted Police. Does he know whether or not the provisions in this bill with respect to retiring allowances are similar to what will be provided for the Royal Canadian Mounted Police?

Mr. Pearkes: Almost identical.

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

On clause 1—*Short title.*

Mr. Chevrier: Has the minister got copies of the bill for distribution?

Mr. Pearkes: Yes, the bill has been distributed, Mr. Chairman.

Mr. Hellyer: Mr. Chairman, I wonder if the minister could tell us why the title was changed from the Defence Services Pension Act to the Canadian Forces Superannuation Act. Also, does the minister not consider that it is going to be very confusing for this act to refer in many places to the Defence Services Pension Act which will no longer exist?

Mr. Pearkes: Mr. Chairman, the old title which was the Defence Services Pension Act was not legally and technically correct because the forces—the army, navy and air force—according to the National Defence Act are referred to as the forces, the armed forces. That was the reason for changing it. This brings it into line with the Civil Service Superannuation Act and will hereafter be referred to as the Canadian Forces Superannuation Act. I do not think there will be any confusion arising out of the title.

Mr. Benidickson: Mr. Chairman, I can see that the Minister of Justice is now in his seat. I regret that I have not in front of me the notes I should have here. However, my information is that in the matter of leave at the end of service the bill before us is not likely to contain provisions similar to those contained in the bill to be piloted by the Minister of Justice with respect to retiring members of the Royal Canadian Mounted Police. Are the two ministers acquainted with this difference?

Mr. Fulton: Mr. Chairman, I am of course not able to answer for the Minister of National Defence, but as I understand it the provisions of the two bills are going to be the same in general principle. There are some modifications that have to be made in the bill with respect to the superannuation of the R.C.M.P. but not in the particular my hon. friend mentions.

Mr. Benidickson: The bill of the Minister of Justice will come up later and we will discuss it then. I am quite satisfied with that.

Mr. Pearkes: There are some slight differences. In the armed forces we have women's divisions and there are no women employed in the R.C.M.P.

Clause agreed to.

On clause 2—*Definitions.*

Mr. Roberge: Mr. Chairman, with the consent of the minister may we take this clause by subclauses?

Mr. Pearkes: Yes, certainly.

The Deputy Chairman: Shall we discuss clause 2, subclause (1)?

Some hon. Members: Agreed.

On subclause 1—*Contributor.*

Mr. Roberge: Mr. Chairman, would the minister indicate if there is a difference between this bill and the old act with respect to the definition of "contributor"?

Mr. Pearkes: No, it is similar to the definition in the former act.

Mr. Roberge: In section 49 (c) of the former act I notice a medical certificate was required from three medical officers. That provision does not appear in this definition. Is there a reason for that?

Mr. Pearkes: I believe that will be provided for under the regulations.

Subclause agreed to.

On subclause (2)—*Meaning of "child".*

Mr. Roberge: With respect to subclause (2), would the minister explain the inclusion of illegitimate children?

Mr. Pearkes: Mr. Chairman, illegitimate children will now be included as being pensionable.

Mr. Roberge: May I know the reason for that?

Mr. Pearkes: It appeared to the government that it was sensible to provide for illegitimate children where a soldier, sailor or airman has been taking care of an illegitimate child who has been recognized and who was born of a woman who is his common law wife.

Mr. Benidickson: Has the government any estimate as to the annual cost in this connection?

Mr. Pearkes: In so far as illegitimate children are concerned I am glad to say there is not a large number of them.

Subclause agreed to.

On subclause 3—*References to R.C.M.P. Superannuation Act.*

Mr. Hellyer: Would the minister tell us if the Minister of Justice wrote this new definition?

Mr. Pearkes: No, it was written within our own department.

Subclause 3 agreed to.

Clause agreed to.

Clause 3 agreed to.

On clause 4—*Persons required to contribute.*

The Deputy Chairman: Would hon. members like clause 4 broken up?

Mr. Roberge: Mr. Chairman, I see that it is almost ten o'clock, and as I may have a number of questions, may I now call it ten o'clock?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the acting house leader what the business is for tomorrow and the days that follow?

Mr. Brooks: Mr. Speaker, tomorrow we will continue consideration in committee of Bill No. C-62 which we have just been discussing followed by the second reading of Bill No. C-61, an act to authorize the provision of money to meet certain capital expenditures of the C.N.R.; then take second reading of Bill No. C-63, an act to amend the Farm Improvement Loans Act; then take second reading of Bill No. C-60, an act respecting the adjustment of certain public service pensions; then take item No. 10 on today's order paper, the second reading of Bill No. C-57, an act respecting the superannuation of members of the R.C.M.P.

Mr. Fulton: Items Nos. 10 and 3 will be reversed; No. 3 will come before No. 10.

Mr. Brooks: That is correct. Arrangements have been made for item No. 3 to be taken before item No. 10. Item No. 3 on today's order paper relates to committee consideration of Bill No. C-34, an act respecting the R.C.M.P.

Mr. Chevrier: What shall we do on Wednesday and Thursday?

Mr. Brooks: If we get through with all these bills tomorrow, on Wednesday we will go on with—

Mr. Fulton: Criminal Code?

Mr. Brooks: —the estimates of the Department of Justice to be followed by those of the Department of Trade and Commerce.

Mr. Benidickson: Just a moment. Is that right? The Minister of Justice said we would take the Criminal Code amendment. Which is correct?

Mr. Fulton: The acting house leader is announcing the business.

Mr. Chevrier: One would not think so from your interruptions.

Mr. Hellyer: You are trying to give him the business.

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

ANSWERS TO QUESTIONS

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

IMMIGRATION—PROTESTS AGAINST RECENT AMENDMENTS

Question No. 317—**Mr. Martin (Essex East):**

1. Has the Prime Minister received representations protesting against the most recent order in council limiting immigration in Canada?
2. If so, what reply has been made to these representations by the Prime Minister?

Answer by: **Right Hon. J. G. Diefenbaker (Prime Minister):**

1. Yes. Three communications were received.

2. The representations were carefully noted and they were sent to the Minister of Citizenship and Immigration.

COLOMBO PLAN—VISUAL AIDS FOR INDIA

Question No. 452—**Mr. Martin (Essex East):**

1. Did the Indian government request a Canadian expert to produce visual aids needed for Colombo plan projects to assist in the development of Indian villages?
2. If so, when was this request made of the Canadian government?
3. Has the request been met? If so, when?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. The government of India requested Canada to provide the services of a technical expert in film making to advise the reserve bank of India on the production of co-operative training films to be produced in India and distributed through the various co-operative training centres in the country. The services of the expert were requested in conjunction with another request for film raw stock with which to make the training films.

2. This request was made by the Indian government at the end of August 1958, and received in Ottawa in mid-September 1958.

3. Some film equipment will be provided when the present negotiations with the Indian government on these matters are completed. Names and qualifications of experts are now under consideration for the production of the films on co-operatives and the training of native staff in their use.

Questions

EAST PETPESWICK, N.S.—DREDGING

Question No. 455—**Mr. McWilliam:**

1. Was dredging authorized for East Petpeswick, Nova Scotia, during the past 12 months?
2. If authorized and completed, was the work performed found satisfactory by the department and by the fishermen who operate boats making use of this port?
3. Was the work performed under contract or by government equipment and crew?
4. If by government equipment, how many days work by the dredge and crew were required to complete this work?
5. Was there any lost time when the dredge was inoperative during the period of operations? If so, how many days?
6. What were the following costs (a) total costs; (b) wages; (c) towing; (d) operation of dredge; (e) charges against lost time; (f) costs of feeding and housing crew?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

1. Yes.

2. Yes, in so far as the department is aware.

3. By government equipment and crew.

4. 41 calendar days.

5. (a) Yes; (b) 26 days. (11 days—Saturdays, Sundays and statutory holidays, 10 days due to bad weather and 5 days for miscellaneous causes.)

6. (a) Estimated cost, $5,230; (b) wages $3,230; (c) towing, $100; (d) operation of dredge, $735, (not including wages and subsistence); (e) charge against lost time, $725, (not including wages, subsistence and fuel); (f) cost of feeding crew, $440, (accommodation supplied on dredge).

HEALTH INSURANCE—NEW BRUNSWICK PARTICIPATION

Question No. 464—**Mr. McWilliam:**

1. Has an agreement been signed between the federal government and the government of the province of New Brunswick, in connection with the Hospital Insurance and Diagnostic Services Act?
2. If not, what is the cause for the delay?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

An agreement under the Hospital Insurance and Diagnostic Services Act has not as yet been signed with the province of New Brunswick. However, discussions preparatory to signing an agreement are proceeding and it is anticipated that an agreement will be signed in the very near future.

HOUSE OF COMMONS

Tuesday, June 23, 1959

The house met at 2.30 p.m.

PRIVILEGE

MR. HOWARD—ALLEGED INCOMPLETENESS OF RETURN

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on a question of privilege relating to an order of the house passed on May 18, and I read from page 447 of *Votes and Proceedings* for that day:

That an humble address be presented to His Excellency the Governor General, praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the federal government and any person, organization or government, since January 1, 1958, relative to the purchase of land or any other matter relating to the proposed Royal Canadian Mounted Police detachment at Queen Charlotte city.

Sessional paper No. 70-CE contains the correspondence, documents and other material as set out in that particular motion. However, I have reason to believe, sir, there is a letter or document that was sent by the Minister of Justice which is not contained within the file of correspondence made available pursuant to this order of the house.

In this regard I would refer to the Prince Rupert *Daily News* of Thursday, April 23, 1959, which was within the period covered by the order of the house. In an article on the front page there is an announcement by Mr. A. D. Vance, who is a building supply firm operator and also was Conservative candidate during the last election in the constituency of Skeena, indicating that he had received a communication from the Minister of Justice to the effect that this particular land had been purchased, the price of the land, when construction would begin and so on.

My question of privilege, sir, is that either the Minister of Justice has not put this particular letter or piece of correspondence in the sessional paper or Mr. Vance, who made the announcement in Prince Rupert, is giving to the Minister of Justice some credit which is not due him, that is for writing a particular letter relating to this Royal Canadian Mounted Police detachment at Queen Charlotte city.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, to the best of my knowledge all the correspondence which either the Royal Canadian Mounted Police or myself or anyone in the department wrote on this matter has been produced. There may be, in one of my own files, another letter, and I shall have the file searched at once to find out. If there is, and it is properly produceable, I shall be glad to produce it. If it should have been produced and has not yet been produced I can assure the house it is only by inadvertence. I shall check the records at once to make sure that nothing that should be produced has been left out.

MR. DIEFENBAKER—REFERENCE TO POSSIBLE INCOMPLETE RETURN

Right Hon. J. G. Diefenbaker (Prime Minister): I communicated with the hon. member for Bonavista-Twillingate respecting this matter a couple of days ago. On March 25, in response to his motion, it was ordered that there be laid before the house a copy of all communications received by the Prime Minister since March 10, 1959 protesting the refusal of the government to reinforce the Royal Canadian Mounted Police in Newfoundland. I brought down all the documents that I was advised were on the file. Following another return made by the Minister of Justice, a letter turned up in that file which apparently was a copy of one that had been sent to me. Immediately I noticed that, I asked the staff to make a search, and apparently it was misplaced. There may be others in the same position, and when I have them I will table them. I just wanted the hon. gentleman to know that this is just one of those cases of filing under two files and then something being misplaced.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if the Prime Minister would permit a question. I thank him for the explanation he has made public. There has already been a supplementary return made by the Prime Minister, and is this still further correspondence?

Mr. Diefenbaker: I will not say that. All I have is the information I have given.

CANADIAN BROADCASTING CORPORATION

ALLEGED POLITICAL INFLUENCE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, before the orders of the day are called I ask leave to move the adjournment of the house under standing order 26 for the purpose of discussing a

definite matter of urgent public importance, namely the charge that clandestine political influence has been brought to bear on the Canadian Broadcasting Corporation management resulting in the resignation of 12 employees of the corporation, including the supervisor of talks and public affairs, the assistant supervisor of talks and public affairs, C.B.C. radio, and the supervising producer of public affairs, C.B.C. television.

Mr. Fulton: Mr. Speaker, I submit it is clear that this motion is out of order—

Mr. Pearson: Mr. Speaker, on the point of order may I say this. You have not yet put the motion, and perhaps you would follow the normal course of giving the person who moves it a chance to explain it.

Mr. Speaker: I have scarcely had time to read the motion which the Leader of the Opposition asks leave to move, but from what he said about it I wonder whether the matter is one which is under the administrative responsibility of the government. I would like to have the Leader of the Opposition address himself to that point. I shall certainly hear the Minister of Justice also. The reason I say that is this. I take it that the motion relates to employees of the Canadian Broadcasting Corporation, which is a corporation established by parliament. But as I have heard its relations to the government explained in the house, its responsibility may be directly to parliament. That is the point that strikes me immediately, and on which I should be glad to hear the Leader of the Opposition.

Mr. Pearson: Mr. Speaker, you are quite right, of course. The Canadian Broadcasting Corporation is a public corporation, but it is responsible to parliament and it reports to parliament through a minister of the crown. In that respect, Mr. Speaker, surely this house is permitted to inquire into matters concerning this corporation, particularly if they affect members of parliament or members of the government. The important part of this motion, it seems to me, is that a charge has been made by those senior officials of the C.B.C. to the effect that, as the motion reads, "clandestine political influence has been brought to bear on the corporation management". It is as a result of that influence, in the view of these officials, that they have been unable to carry on their duties in the way in which they would wish to carry them on. Therefore, Mr. Speaker, surely the fact of resignations of this kind alleged to be brought about by clandestine political influence, will have an unfortunate effect on the integrity and the independence of the C.B.C.

Perhaps, Mr. Speaker, I may be permitted to read the statement issued—because it has a bearing on the importance and the urgency of this matter—by the supervisor of talks and public affairs, the assistant supervisor of talks and public affairs and the supervising producer of public affairs, which explains why they felt it necessary to resign, which resignations have been followed by those of other senior officials and I understand the number is increasing. This statement which explains why this course had to be taken is as follows. It was issued, I think, on June 23 and it is signed by the supervisor of talks and public affairs, the assistant supervisor of talks and public affairs and the supervising producer of public affairs, Mr. F. W. Peers, Mr. D. H. Gillis, and Mr. B. Trotter, and reads as follows:

> On June 15 C.B.C. management took a decision to cancel the series "Preview Commentary" effective today, June 23. The supervisor of talks and public affairs, Frank Peers, was given no valid reason for this action. The controller of broadcasting, Charles Jennings, handed him a written explanation that the press gallery correspondents who contributed to "Preview Commentary" did not have time to put things in perspective in commenting on the events of the previous day.

Incidentally, Mr. Speaker, presumably they have time to comment on these things before they send them to their newspapers. The statement goes on:

> Since this reason was manifestly absurd applying to professional journalists covering the national capital, Mr. Peers started a series of inquiries which led only to the conclusion that clandestine political influence had been brought to bear on C.B.C. management.

Mr. Speaker, that is not the whole statement but that is the part which I think is relevant to this particular motion. Surely this is a charge which has a bearing on the independence and integrity of the Canadian Broadcasting Corporation. That is something which must be very much in all our minds these days, and it is something which we have a duty in this house to protect. If, Mr. Speaker, this publicly owned and operated corporation is to be subjected to this kind of influence as charged, then not only will it prejudice its existence but it will at the very least put it in an unfavourable position with regard to private broadcasting. The importance of this matter and its seriousness should certainly be apparent to the members of the government, because they took such a strong stand when they were in opposition on the independence and integrity of this corporation and its immunity from any form of influence on the part of the government.

I would now like to quote the words of the present Minister of Finance (Mr. Fleming) as reported on page 2827 of *Hansard*

for March 29, 1957, and these will be my final words, Mr. Speaker, to justify not only the importance of this matter but the urgency of discussing it at this time to remove these impressions. The Minister of Finance said:

If the Canadian Broadcasting Corporation is to function in a manner free of government interference, then there must not be attempts on the part of the Prime Minister or other members of the government to influence the programming activities of the Canadian Broadcasting Corporation, and above all opinion broadcasts on public issues.

This resignation statement, Mr. Speaker, alleges that there has been that kind of clandestine political influence, and I suggest it is a matter of importance and urgency and should be discussed immediately.

Mr. Speaker: Before the Leader of the Opposition takes his seat, if debate were permitted on the motion would it directly call into account the administration of the government, or is it a matter for parliament as a whole?

Mr. Pearson: It will call into question the relationship of members of parliament, and particularly members of the government, to the Canadian Broadcasting Corporation because of this allegation. I suggest, Mr. Speaker, that only by an immediate and reassuring statement from the government in such a discussion as this can the deterioration in the morale of the C.B.C. as a result of resignations of this kind be halted.

Mr. Fulton: Mr. Speaker—

Mr. Speaker: Perhaps the Minister of Justice (Mr. Fulton) would prefer to leave his remarks until I have heard the member for Assiniboia (Mr. Argue). He has the floor if he wishes to speak now.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, it is because I think it is so easily demonstrated that this motion does not comply with the rules that I would appreciate the opportunity to be heard now. There are a number of grounds upon which this motion fails, and I would like to deal with them one by one on the basis of the facts.

First of all I would like to refer to May's fifteenth edition, page 352, which says that the matter raised by the motion must be definite. Your Honour will find that there is a citation there, citation (c), which says that in particular such a motion must not be offered when the facts are in dispute or before they are available. I refer here particularly to the facts being in dispute. My hon. friend the Leader of the Opposition has in the wording of this motion itself made it clear that this is a matter of opinion—opinion, I might say, held only by members of the opposition. He says it is a matter of urgent public importance, namely a charge that clandestine political influence has been brought to bear on the Canadian Broadcasting Corporation.

That is not a fact, Mr. Speaker; this is a matter which is, as I say, based on a charge. The facts in the matter are not established, and therefore the motion does not deal with a definite matter. And to illustrate my point that this is a matter of opinion and dispute only, and indeed to show how unfounded is the charge and how inappropriate would be a discussion of this kind, I should like to refer to a statement dealing with this matter which was made by Mr. Bushnell, general manager and acting president of the C.B.C., which refutes completely the statements the Leader of the Opposition has read into the record. Mr. Bushnell gave the following statement to the press today.

Some two weeks ago the corporation decided to replace the "Preview Commentary" from Ottawa, which followed the eight o'clock C.B.C. news, with a "Special Parliamentary Report" prepared by the C.B.C. news service. It was felt that this would improve the corporation's service of reporting the proceedings of the previous day in parliament.

This has been followed by resignations of several members of the corporation's "Talks and Public Affairs" national office in Toronto, on the grounds that the substitution of the opinion broadcast "Preview Commentary" by the factual C.B.C. news report implied political interference with the C.B.C.'s broadcasting of controversial affairs. The corporation does not accept this implication.

The C.B.C. has the fullest confidence in its talks and public affairs department which over the years has contributed some of the C.B.C.'s most distinguished and responsible broadcasting.

Thus, in so far as the facts are ascertainable, the statement by the responsible manager and acting president completely refutes the charge which has been so baselessly brought in this house by the Leader of the Opposition.

Another ground is that the matter raised in the motion must be urgent, and in this connection there are citations both in Beauchesne and May, but May deals with this situation very succinctly. I would refer Your Honour to the fifteenth edition at page 352, where it is stated that the motion has been refused where the matter could be raised on the estimates, that is, when an ordinary parliamentary opportunity will occur shortly or in a reasonable time.

I should point out that the estimates of the Minister of National Revenue, who is the minister who answers for the C.B.C., have not yet, I am informed, come before the committee of supply, so there will be ample opportunity to raise this matter and to raise it in the fullest and most satisfactory form in committee of supply when all members may take part in the discussion. On that ground

I think it is obvious, in accord with previous rulings, that the motion fails because the question of urgency of debate does not arise.

Another reason why I submit the motion must fail is one to which you yourself referred, Your Honour, namely that this does not involve the administrative responsibility of the government. May I point out that May, in his fifteenth edition at page 355, gives an example of a somewhat similar motion in the United Kingdom having been ruled out of order on the ground that it related to the conduct of the affairs of a statutory authority. The C.B.C. is set up as a statutory authority. It is a corporation created by parliament. The act which governs it has been carefully drawn to make it clear that the C.B.C. operates as an independent corporation. It does not operate under the direction of the government. It reports to parliament, and is responsible to parliament directly only with respect to its financial requirements. As a statutory authority carefully set apart from the possibility of direct interference by the government, it cannot be said to be under the administrative authority of the government and subject to discussion in these circumstances, under this rule.

May I refer Your Honour to sections 22, 26 and 27 of the Broadcasting Act enacted in 1958. Section 22(1) reads:

> There shall be a corporation to be known as the Canadian Broadcasting Corporation—

Mr. Pickersgill: Could the minister say what he is reading from?

Mr. Fulton: Yes; the statutes of 1958, the Broadcasting Act.

> 22. (1) There shall be a corporation to be known as the Canadian Broadcasting Corporation consisting of a president, a vice-president and nine other directors to be appointed by the governor in council.

Then the other subsections of this section outline the organization of the corporation. Then section 26 (1) provides:

> The corporation may on its own behalf employ such officers and employees as it considers necessary for the conduct of its business, at such remuneration and upon such other terms and conditions as it deems fit, but the officers and employees so employed are not officers or servants of Her Majesty.

Then in section 27 it is made clear that the corporation itself is an agent of Her Majesty with all the powers, rights and liabilities usually attached to such crown agencies.

The whole tenor of the statute, and particularly these sections, Mr. Speaker, make it abundantly clear that the corporation is not under the day to day administration of the government. May I in this connection refer Your Honour to a case in the United Kingdom House of Commons, reported in the British *Hansard* for 1912, volume 41, column 816. This

was a case in which a member moved, or sought leave to move, the adjournment of the house to discuss a definite matter of urgent public importance, namely the failure of the board of trade through its representatives to bring pressure to bear on the port authority to carry out its obligations under the port of London act.

In this case the member was seeking to move the adjournment with respect to a matter arising in connection with the port of London authority. The port of London authority was the authority which administered the port of London, and it was a statutory authority in exactly the same way as the Canadian Broadcasting Corporation is, set up independently of the government although it had to report through the board of trade which, as hon. members know, is the equivalent of the Department of Trade and Commerce in this country. Mr. Speaker immediately ruled as follows:

> I regret that I am not able to accept the motion of the hon. member. The port of London is an authority set up by parliament and quite independent of the board of trade. I have looked through the act which set up the authority, and I can only find some three sections which introduce the board of trade at all as a controlling authority.

I might point out, Mr. Speaker, that as I recall the Broadcasting Act there is no place at which the Minister of National Revenue or any other minister is introduced as a controlling authority. The Speaker of the British house continued:

> Those sections deal with audits if required, with the question of increases of duties, and with complaints about warehousing. As far as I can ascertain, those are the only sections in the bill which give the board of trade any power whatever, or any control over the port authority. That being so, it is clear that the board of trade have no such control as the hon. gentleman would wish to imply in his motion.

From the terms of the Broadcasting Act in Canada, Mr. Speaker, it is clear that neither the Minister of National Revenue nor any other minister of the government had any such control as the Leader of the Opposition seeks to imply in his motion, control over the C.B.C., in a way which would bring it within the rules of parliament as to the content of such motions to adjourn the house.

On these grounds, Mr. Speaker—and there are a number of others which I know will occur to Your Honour, which I therefore think I need not mention today, but particularly on the ground that this is not a definite matter but a matter of opinion, this motion is not in order. The opinion of the Leader of the Opposition is one, I submit, which can clearly be proven to be groundless, but that is a matter, of course, of debate—on these grounds, it is not in order to introduce charges,

to raise matters of this kind which really involve charges against the government based on opinion, on a motion seeking to debate a definite matter of urgent public importance.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I have often heard the Minister of Justice in the past when he appeared to be on much stronger ground than he is this afternoon. As a matter of fact I think his argument is particularly weak. He says this is not a definite matter. I do not know whether you have to have some physical object which can be weighed before you have a definite matter. This is a definite charge that has been made in writing by no less a person than the leader of the official opposition in this house, and I think it is very much a definite matter, since it charges that clandestine political influence has been brought to bear on the Canadian Broadcasting Corporation.

To make it something that is most definite one need only to keep in mind the continuing reports of further resignations from the C.B.C. I understand that now there have been in excess of 20 resignations. When people are resigning in very large numbers apparently in protest of the definite matter that has been set forth in this motion, is this not a definite matter? In my submission, Mr. Speaker, this is something that is a very definite matter, which has been well set out in the motion.

It has been said by the Minister of Justice that this is not urgent; that it can be debated when the estimates of the department are before the house. That, of course, is true, but there is no assurance as to how soon those estimates will be before the house for debate. They may be the last estimates in the dying days of the session. In the meantime, how many more resignations may there be from the C.B.C.? I think it is urgent that this be discussed so the matter may be aired fully and so that a further deterioration of the C.B.C. itself may not take place, if such an assurance is in fact given.

I think the whole question of interference by the government in the administration of the C.B.C. is not only a definite and urgent matter but it is something of very great concern to the people of this country, in that it suggests that there has been political interference with freedom of discussion through the C.B.C. I suggest that it is such an important and far-reaching matter that it deserves immediate debate.

The Minister of Justice brought forward many citations to endeavour to prove that the C.B.C. is beyond the administrative jurisdiction of the government. The point of this motion, I suggest, is that, while everyone agrees that this is what the law says, nevertheless even with that situation as it is set forth there is the charge of political interference. It is a very grave and a very serious charge that has been presented, namely that in spite of the safeguards in the laws of this country there has been political interference. I would suggest, Mr. Speaker, that in this whole question is the matter of freedom of discussion, freedom of the C.B.C., apart from government and cabinet interference. For all these reasons urgency of debate is essential.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, perhaps I should say a word or two, not that it is necessary—

Mr. Speaker: Before the minister begins, since he is the responsible minister, I take it that he is addressing himself to the question of standing order 26, and whether a debate should be allowed on the issue?

Mr. Nowlan: It is not necessary to supplement the argument which was advanced by the Minister of Justice, which I am sure is sound and valid and which I should hope would commend itself to your judgment when you make your ruling, Your Honour.

The Minister of Justice referred to the fact that the estimates of the corporation have not yet been before the committee. That is true. There may be some merit in the suggestion that those estimates could possibly be deferred for some little while, but I would point out that the committee on broadcasting, which is charged particularly with the investigation of this corporation, is meeting today in Toronto, where the directors of the corporation are meeting, and will resume sittings here on either Monday or Tuesday of next week. I would also point out that one of the responsibilities of that committee, of course, is to investigate fully all affairs of the C.B.C. I think that is one answer to the question of urgency of debate, and supplements the information with respect to estimates.

I certainly appreciate the information I have received this afternoon. It has been said by one member that there have been 12 resignations and by another that there have been 15, and if two or three more members get up we may have 30 or 40. As far as the management is concerned, and I am speaking now of the manager with whom I talked just before coming into the house, the figures on resignations are in no way similar to those which have been detailed to the house.

I want to point out that this charge is based on what the Leader of the Opposition says is a statement from the corporation. I suggest that statements from the corporation

come from the management of the corporation, and a statement by the management of the corporation was read by the Minister of Justice.

Hon. Lionel Chevrier (Laurier): May I be allowed to say a word in answer to what the minister has said, particularly having regard to the statement that the estimates might well be discussed in the near future. That is a point that repeatedly comes up when a motion is made to adjourn the house to discuss a matter of urgent public importance. Earlier we were told that the reason a matter was not urgent was that it could be discussed on a supply motion, and this time we are told it is not urgent because the estimates will come up in due course. These, sir, are not the criteria on which the matter should be disposed of, because the rule in Beauchesne makes it quite clear upon what formalities the motion should be based.

My hon. friend also made reference to the committee on broadcasting. We all know that if this matter is to be disposed of by the committee on broadcasting it cannot be done on Monday, for the simple reason that these people would have to receive notice and it would probably be a week before they could come down here, so that again falls to the ground.

But the main point made by the Minister of Justice was that this was not a definite matter. What could be more definite, as was pointed out by the hon. member for Assiniboia, than the resignation of a number of top officials of the Canadian Broadcasting Corporation? On that basis alone, which indicates that there is interference not only there but elsewhere in connection with the corporation, I submit this is a matter which should be debated at this time.

Mr. Speaker: The urgent matter which is proposed is that clandestine political influence has been brought to bear on the management of the Canadian Broadcasting Corporation.

Mr. Fulton: That is the charge.

Mr. Speaker: The charge is that that has been done. It has been urged that it is not a definite matter. In my view there are definite facts. There is the fact of resignations and the statement made by those who have resigned, which seems to me to be fairly definite. It is a matter of urgent public importance, of course, because it involves the independence of the management of the Canadian Broadcasting Corporation. Therefore I am prepared to go that far with the Leader of the Opposition who asks for leave to discuss this matter.

The question of urgency is not, I think, conclusive. There will be an opportunity to discuss these matters on the estimates, but this matter has arisen suddenly and if it complies with the rule on other grounds I think I would be prepared to accept the request for leave to discuss it as a matter of urgent public importance.

My difficulty lies in the question of whether it really involves the administration of the government. It involves the management of the Canadian Broadcasting Corporation. Apparently the conduct of the management has been such that certain members have resigned. The charge is that there has been clandestine political interference. I can only go on what is before me, and it is not a charge that the administration has been guilty of clandestine interference with the management. In fact, the management as it has been established under the Broadcasting Act, is an independent management.

I am impressed with the reference the Minister of Justice made to a decision with respect to the port of London authority and I ask the house whether, if this motion is debated, its effect would be that the administration should interfere with the management of the Canadian Broadcasting Corporation. Otherwise the motion is futile. There is no point in the house debating this as an administrative responsibility unless the purpose is to ask the administration to interfere with the management of the Canadian Broadcasting Corporation which, as I understand it, they have at all times resisted doing.

In the absence of a charge that the administration has been interfering with the management, which it seems to me would raise a matter for debate, I cannot accept the application for leave as it stands.

"PREVIEW COMMENTARY"—INQUIRY AS TO DISCONTINUATION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of National Revenue if he has in any manner whatsoever had discussions with or made representations to the Canadian Broadcasting Corporation regarding a program entitled "Preview Commentary", and can he tell the house why it has been decided to discontinue this program?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the decision was one of management. I knew nothing about it until this morning, when I heard on the radio that this decision had been made. That was the first intimation I had of it, and I also heard of the resignations.

As most hon. members know, the directors are meeting in Toronto. That was arranged weeks ago, and the directors have come

from all parts of Canada to inspect the facilities of the C.B.C. and to talk with the senior officers of the corporation in Toronto during the last two days. I immediately tried to get in touch with Mr. Bushnell. I did not reach him until around 11.30 because he was at meetings. He then dictated to me the statement which my colleague the Minister of Justice has put on the record. That is my knowledge of this matter.

Mr. Martin (Essex East): May I ask the minister if he will be good enough to answer my first question. Has the minister in any manner whatsoever had discussions with or made representations to the Canadian Broadcasting Corporation regarding the program entitled "Preview Commentary".

Mr. Nowlan: I have had discussions from time to time with the manager and Mr. Ouimet before his illness about various C.B.C. programs, as to costs and so on and so forth. I do not remember discussing this particular program. If I did I expressed my appreciation of it, because it is a program for which I have had a very high appreciation. I have made no representations to the C.B.C., directly or indirectly, at any time or at any place, with respect to any program of the Canadian Broadcasting Corporation.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in our further prospecting to secure the facts I wish to ask the Minister of National Revenue another question somewhat related to the one asked by the former minister of national health and welfare, now the farmer expert for Essex East.

In view of reports that the Canadian Broadcasting Corporation is planning to cancel its morning radio preview commentary; in view of reports that the C.B.C. has been under pressure from Progressive Conservative senators and backbench M.P.'s; and in view of the reported resignation of a number of news commentators, can the minister do anything to enlighten the house as to the drama being played behind the curtain of official silence while the orchestra of public opinion continues to play that old tune, "Tell Me One thing but Tell Me True"?

Mr. Nowlan: Whatever merit there may be in the question of the hon. member, we always appreciate the poetic atmosphere and the language in which it is expressed. There has been no drama played behind the scenes of which I have knowledge, and I am sure if there were I would have knowledge of it. There is a reference in the hon. member's question to backbench members, whoever they may be, and some senators. I would appreciate elucidation and the identity of these people, if the hon. member has any information which he can give me.

HOUSE OF COMMONS

REQUEST THAT STAFF BE GIVEN HOLIDAY ON JUNE 26

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to direct a question to the minister of public affairs who, I understand, has some control over the internal affairs of the house as well as external affairs—

Some hon. Members: Oh, oh.

Mr. Peters: The Minister of Public Works—in view of the fact that the house will recess on Friday in order to allow hon. members to witness the opening of the seaway by Her Majesty the Queen, in order to demonstrate the truly democratic nature of our government will the minister consider granting the staff of the House of Commons the same privilege, namely a holiday with pay?

Hon. Howard C. Green (Minister of Public Works): Well, Mr. Speaker, I think this question does not come under the minister of internal affairs or whatever the hon. member called me. This comes under Your Honour.

FISHERIES

NEW BRUNSWICK—STATEMENT ON METEOROLOGICAL SERVICE AND WEATHER FORECASTS FOR FISHERMEN

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Yesterday, Mr. Speaker, the hon. member for Gloucester inquired as to what specific meteorological service is provided to warn fishermen of approaching storms, and also asked if warning was given of the sudden storm over the Northumberland strait area last Friday.

I am advised by my officials that marine forecasts giving advice on present weather conditions and forecasts for the next 24 hours are issued three times a day for Canadian coastal waters and most of the larger inland lakes. Whenever observed weather conditions indicate that a special marine weather warning of gales, icing and the like should be issued, such warnings are issued and distributed as soon as possible. These warnings are distributed mainly by radio.

Specific warnings were issued by the Halifax and Gander forecast offices during Friday evening, but the fishing vessels, because of the salmon run, had put out much earlier than usual and the warnings were not issued until 8.45 p.m. at Halifax and

9 p.m. at Gander. This timing was due to difficulties in interpretation of changes in blocked weather systems in northwestern and western Canada, where a change in relatively stationary conditions over previous days was developing, and was also due to scarcity of information as to weather reports from ships in the eastern area.

The storm moved in rapidly from the southeast, and the strength of the winds reported over the maritimes was a great deal higher than any previously observed and reported winds emerging from the gradually changing weather conditions mentioned. The afternoon forecast carried at 5 p.m. did not anticipate the severity of the winds experienced, since local storms resulting from this type of situation can move very suddenly.

A full report is being prepared to cover the weather situation as it was, and a detailed research study is being undertaken so that weather offices will be in a better position to anticipate such unusual and rapid weather developments.

NATIONAL REVENUE

MONTREAL—INQUIRY AS TO TRANSFERS OF CUSTOMS OFFICERS

On the orders of the day:

Mr. Guy Rouleau (Dollard): I should like to direct a question to the Minister of National Revenue. Have there been any recent transfers of customs officers from the Dorval port of entry to the Montreal port of entry, and if so is the Department of National Revenue contemplating any further transfers in the coming months? If so, will the minister inform the house the reasons such transfers are made?

Hon. George C. Nowlan (Minister of National Revenue): The hon. member was good enough to call my office this morning with respect to this matter, and I was therefore able to get detailed information from my deputy minister.

As the hon. member knows, the ports of Dorval and Montreal are relatively close. We have large staffs at both ports. The port of Dorval deals with the airport, and the officers there are doing more specialized work than the general work which falls upon the officers at the port of Montreal. On the 1st day of April six employees were transferred from Dorval to Montreal and six were transferred from Montreal over to Dorval, an exchange of employment so they could benefit from the different experiences. It is contemplated that on July 1 a further five will be transferred from one port to the other, a reciprocal arrangement, and another five will be transferred on October 1 of this year. The selection of those transferred is made by a board composed of the collectors at Montreal and Dorval, the district inspector and the district personnel officer, taking into consideration particularly the location at which the officers reside, it being felt that employees at Montreal would bring to Dorval the added benefit of their experience at a large port.

It has been the practice to advise the officers selected for such exchange verbally by the collectors at their respective ports rather than in writing. It is felt that rather than jeopardize an officer's opportunity for promotion this exchange will be of benefit as it is proposed to open the field of competition for promotion to both ports.

SHIPPING

INQUIRY AS TO PILOT FOR ROYAL YACHT "BRITANNIA"

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wonder if the Minister of Transport would comment on a statement in the *Globe and Mail* attributed to Captain Norman S. Johnson, a member of the board of examiners for pilots on the seaway, that Captain Leighton Crawford has been appointed pilot for the royal yacht *Britannia* as a reward for heading a strikebreaking group last year against the great lakes pilots' association.

Hon. George H. Hees (Minister of Transport): As I think the hon. member would be well aware, Mr. Speaker, there is absolutely no substance whatever in that statement. The pilot who will be guiding Her Majesty's yacht *Britannia* has been appointed to that position because of his competence and for no other reason.

Mr. Argue: If that is the case and the pilot is being appointed for competency, why then was this position not given to the pilot who received the highest marks in the ship pilots' rating guide?

Mr. Hees: Because my departmental officials have judged that this pilot is most deserving of the appointment.

Mr. Argue: Does the department not recognize the pilots' rating guide, and if so why was the best qualified pilot not given this very important position?

Mr. Hees: I have said earlier, Mr. Speaker, that my departmental officials consider the man who has been appointed the most competent to take the Queen's yacht through.

Mr. Argue: Because he was a strikebreaker.

Mr. Hees: No, because he is a competent pilot.

LABOUR CONDITIONS

NEW WATERFORD, N.S.—REQUEST FOR ASSISTANCE TO MINERS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Acting Minister of Labour. Has the minister received a telegram from the united mine workers of New Waterford, Nova Scotia, requesting that the town of New Waterford be declared a depressed area owing to the loss of unemployment insurance benefits, and requesting financial aid from the federal government? Can the acting minister advise the house what action is to be taken?

Hon. Ellen L. Fairclough (Acting Minister of Labour): With the hon. member's permission I shall take this question as notice.

Mr. Robichaud: May I ask a supplementary question of the Minister of Veterans Affairs. Has the minister received a telegram from the secretary of the Cape Breton district command of the Canadian Legion asking immediate action to assist 2,000 miners in need of help? If so, what action is the minister going to take in support of the representations of this important area organization?

Hon. A. J. Brooks (Minister of Veterans Affairs): I have not received any such telegram as yet.

Mr. Hazen Argue (Assiniboia): May I ask a supplementary question in the same field, Mr. Speaker. I wonder if the Prime Minister can say whether the government has come to any conclusions following the consideration he said was being given to the request of William H. Marsh, president of district 26, united mine workers of Glace Bay, that additional unemployment insurance should be provided to workers in that area? The Prime Minister may recall that I brought a telegram to his attention some days ago, and he said consideration would be given to this request.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I shall have to look into the question further.

NATIONAL DEFENCE

NORTH BAY—PUBLIC TENDERS FOR BOMARC MISSILE BASE

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I wish to ask a question of the Minister of Defence Production, but in his absence perhaps the acting minister can take it as notice. Will public tenders be called for the rock excavation and underground construction to be done at the Bomarc missile base at North Bay? If not, why not?

Inquiries of the Ministry

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I shall be glad to take that question as notice.

FINANCE

REFERENCE TO YIELD ON ONTARIO HYDRO BOND ISSUE

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Minister of Finance whether he has noticed that the recent bond issue of the Ontario hydro commission indicates that the investors of Canada have more confidence in that commission than they have in the government of Canada, in that the yield on Ontario hydro offerings is lower than the yield on offerings on the part of the minister. If so, what measures is the minister or the government contemplating to restore the confidence of the investors of Canada in offerings of the Canadian government on the money market?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the hon. gentleman has purported in a question to ask for confirmation of what he puts forward as a statement of fact. I reject what he puts forward as a statement of fact, because it is not fact. The fact is, Mr. Speaker, that the Ontario hydroelectric commission last Friday put out an issue of, I think, $50 million—a very much smaller issue than any the federal government has recently been putting out—in two maturities, one of 10 years and the other of 20 years, with a 5.75 per cent coupon and it was put on the market at par.

Mr. Regier: Might I ask the minister this question. Does he realize that the yield on the offerings of the Ontario hydro commission is 5.6 per cent, and that the yield on his own offerings on behalf of the government of Canada is in excess of that figure?

Mr. Speaker: The hon. member is embarking on an argumentative series of questions which I think are inappropriate for the orders of the day.

Mr. Regier: Mr. Speaker, on a question of privilege may I say this. You allowed the minister to deny my assertion, and I feel that I am within my rights as a member of this house in asking the minister whether he is aware of the fact that the yield on Ontario hydro bonds is lower than that on his own offerings.

Mr. Speaker: The purpose of questions is to obtain information. The hon. member is giving information which is of general

knowledge, if it is correct. If he is asking the Minister of Finance to outline the financial program of the government it seems to me that is something which is quite inappropriate for the orders of the day.

Mr. Regier: In that case, Mr. Speaker, may I ask the Minister of Finance whether the government is contemplating any action which would restore the confidence of the investors of Canada in his offerings.

Mr. Fleming (Eglinton): Mr. Speaker, the government is doing things every day to strengthen the confidence of the people of Canada, who have money to invest, in the credit of this country. I wish the hon. gentleman and some others opposite would follow that example instead of doing all they can to destroy confidence in the country's credit.

BUSINESS OF THE HOUSE

COMBINES ACT AMENDMENT—INQUIRY AS TO REFERENCE TO STANDING COMMITTEE

On the orders of the day:

Mr. L. D. Crestohl (Cartier): Mr. Speaker, may I address a question to the Minister of Justice. Can the minister tell the house whether he plans to send Bill No. C-59, to amend the Combines Investigation Act, to one of the standing committees of the house for study and the hearing of representations which may be made concerning this extremely important piece of legislation?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I think that question should properly be directed to the house leader. All I can say is that I have not discussed that matter.

Mr. Crestohl: I have a supplementary question. Would the minister consider the question I have just asked him, and will he discuss it with the house leader?

Mr. Fulton: Yes, Mr. Speaker.

(Translation):

BRIDGES

JACQUES CARTIER, MONTREAL—INQUIRY AS TO REPORTED THEFT

On the orders of the day:

(*Page 5044*)

Mr. Marcel Boivin (Shefford): Mr. Speaker, I want to ask the Minister of Transport a question arising out of an item published in yesterday's *La Presse*. Is the minister aware of the theft of $5,000 allegedly committed in the toll office located at the entrance of Jacques Cartier bridge? If so, could he tell this house whether any change had taken place with regard to the personnel entrusted with toll collections at Jacques Cartier bridge, in view of the fact that there are generally two employees responsible for the collection of tolls? And would the minister then be kind enough to acquaint the house with the result of his investigation?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, may I consider this question as a notice? I shall answer it tomorrow.

(Text):

COAL

REPORTED REDUCTION IN PRODUCTION AND INCREASE IN IMPORTS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Would the minister comment on a release issued yesterday by the bureau of statistics to the effect that Canadian coal output slumped 32 per cent during the month of May, while landed imports in the same month were 21 per cent higher than last year and this while thousands of coal miners are out of work in Nova Scotia coal mines?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I shall have to read over the hon. member's question in *Hansard* and check the bureau of statistics report to which he refers and give him an answer later.

TRADE

REPORTED INCREASE IN IMPORTS FROM U.S.

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Trade and Commerce a question arising out of the bureau of statistics report issued today which indicates that for the period January-March, 1959 imports from the United States have gone up $31 million in comparison with the same period last year, while imports from the United Kingdom have gone down $8 million. My question is this. Is this situation the result of the trade diversion policy of the present government?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am glad to see the interest of the Leader of the Opposition in this question. I think it is an indication of the increasing trade that is going on between Canada and other countries. He might also have referred to the export figures which indicate that our export picture is also very favourable.

RUSSIA—REQUEST FOR STATEMENT RESPECTING EXTENSION OF AGREEMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wish to direct a question to the Minister of Trade and Commerce. Can the minister say what progress is being made toward the signing of a Canadian-Soviet trade agreement? Would he comment on the statement attributed to a former Russian trade minister that the new agreement will not include a guarantee by Russia to buy a specific quantity of wheat?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, we have had recurring questions on this same subject. I have given answers just about every third day with regard to these negotiations. It was only two days ago that I was asked this question, and I reported that they were proceeding favourably. The second part of the hon. member's question concerns a statement which I have not seen.

Mr. Argue: Mr. Speaker, I asked the minister whether he agrees with the announcement made by Ivan G. Kabanov, a former Soviet trade minister, that a trade agreement with Canada is about to be signed and that it will not include any specific quantity of wheat.

Mr. Churchill: I have not seen the comment to which the hon. member refers.

Mr. Argue: Can the minister say whether or not a trade agreement with the Soviet union is about to be signed?

Mr. Churchill: I reported the other day, Mr. Speaker, that negotiations were going favourably and that we expected to sign a trade agreement with Russia in the near future.

NORTHERN AFFAIRS

ARCTIC ISLANDS—APPROVAL OF NEW OIL AND GAS REGULATIONS

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Can the minister tell the house whether or not the cabinet has approved the new oil and gas regulations for the Arctic islands, which he recommended to his colleagues a month ago? If not, can he tell us how long it usually takes to get four of his colleagues together to sign an order in council?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, the answer to the first part of the question is no. The answer to the last part of the question is the same as that which I gave on a previous occasion, when I told the hon. member that he had been here long enough to know something about how a government operates.

Mr. Hardie: Not this kind of a government.

Mr. Fleming (Eglinton): Not that kind of a member.

GRAIN

WHEAT—REQUEST FOR DEFICIENCY PAYMENT IN ONTARIO

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Agriculture a second time, after a long interval since the last question, whether he is now in a position to say whether the government has arrived at a policy with regard to the request of the Ontario wheat producers for a deficiency payment on Ontario wheat?

Mr. Argue: And western wheat at the same time.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I think the phrasing of the hon. member's question is not very good. It is not a matter of arriving at a policy; we have a policy which we announced well over a year ago with regard to these matters. It was contained in the stabilization act. Under that act we set a support price for wheat which is in effect at the present time. That was set to take effect at the beginning of the crop year, which is August 1. A support price for the crop year beginning this August 1 will be announced a reasonable period in advance of that date.

Mr. Argue: Can the minister set out the government's policy with regard to deficiency payments on western wheat? May I take it the government has no policy?

Mr. Benidickson: No answer, no policy.

DEFENCE SERVICES PENSION ACT

AMENDMENT TO REVISE AND CONSOLIDATE CERTAIN PROVISIONS

The house resumed, from Monday, June 22, consideration in committee of Bill No. C-62 respecting the superannuation of members of the Canadian forces.—Mr. Pearkes—Mr. Rea in the chair.

On clause 4—*Persons required to contribute.*

Mr. Roberge: Mr. Chairman, clause 4 to my mind is one of the important clauses of the bill. As was said by the minister at the

resolution stage, the entire purpose of the bill is to bring the Defence Services Pension Act under a new name in conformity with the Public Service Superannuation Act.

Mr. Pearkes: Yes, Mr. Chairman. This clause is very similar to, if not the same as, the section in the Public Service Superannuation Act and the new R.C.M.P. act which will be introduced shortly.

Mr. Roberge: Mr. Chairman, if the noise will go down a bit perhaps we can get somewhere.

The Deputy Chairman: Order. I wonder if hon. members would lower their voices so the Chair may hear the speaker who has the floor.

Mr. Roberge: I would like to ask the minister a question on this clause before we go any further. Are there any members of the Canadian forces who now receive less than $1500 as pay and allowances?

Mr. Pearkes: I am informed there are none.

Mr. Hellyer: Mr. Chairman, where these elections are possible for prior service and they require lump sum payments to be made, what are the provisions under which those payments may be made?

Mr. Pearkes: They may either be made as a lump sum payment or monthly or annual payments.

Mr. Hellyer: What is the maximum period of time over which they may be distributed?

Mr. Pearkes: Life.

Clause agreed to.

Clause 5 agreed to.

On clause 6—*Amount to be paid.*

Mr. Roberge: Mr. Chairman, this clause has to do with elective pensionable service, the amount required to be paid. If I understand the purpose of this clause it is to permit those members who want to elect to become contributors under this bill to pay their arrears. Under the former act there was no provision for pensions or any benefits for those who had under three years' service. Now I see there is. Is it possible that those who are not contributors under the former act may become contributors under this act by paying their arrears?

Mr. Pearkes: If the serviceman was under parts I to IV, he may elect to come under the new act now.

Clause agreed to.

Clauses 6 to 9 inclusive agreed to.

On clause 10—*Benefits payable on retirement.*

Mr. Roberge: This clause might be a little long to explain. In subclause 1 a contributor who, having reached retirement age, ceases to be a member of the forces for any reason other than disability or misconduct is entitled to a benefit. That benefit is determined by the following subparagraphs. I have no quarrel with subparagraph (a). I have no quarrel with subparagraph (b), but I want to read it anyway:

> If he has served in the forces for more than three years but less than ten years, he is entitled to
> (i) a return of contributions, or
> (ii) a cash termination allowance, whichever is the greater; and
> (c) if he has served in the forces for ten or more years, he is entitled to an annuity.

Subclause 2 deals with a member of the forces who is compulsorily retired because he has become disabled, and the benefits to which he is entitled are the same as in subclause 1. What I have some quarrel with is subclause 3, which reads as follows:

> A contributor who, not having reached retirement age, is compulsorily retired from the forces to promote economy or efficiency is entitled to a benefit determined as follows:
> (a) if he has served in the forces for three years or less, he is entitled to a return of contributions;

Then (b) deals with service of more than three years but less than ten years, and the benefit is a return of contributions or a cash termination allowance, whichever is the greater. I have some quarrel with subparagraph (c) of subclause 3. This reads as follows:

> (c) if he has served in the forces for ten or more years but less than twenty years, he is entitled—

And subparagraph (i) deals with those members of the forces who served in world war II. Then:

> (ii) in the case of any other contributor, to an annuity, reduced, until such time as the contributor reaches sixty-five years of age but not thereafter, as follows:

Then (A) and (B) give the reduction of the benefit.

> (d) if he has served in the forces for 20 or more years, he is entitled to an annuity.

I have read all this to make the following point. If a member of the force is retired because he has reached the retirement age he is entitled to some definite benefit as enumerated in subsection 1. If he retires because he is disabled he is entitled to the same benefit and he has an option—I am speaking now of those members of the forces who have served for less than 10 years or for 10 or more years. Under subsection 3 these members of the forces are put on retirement because the forces do not need them for one reason or another, either because

there is a reduction in the numbers in the force, or to promote efficiency or economy, as is set out in line 5 on page 12.

It seems to me that those members who are retired through no fault of their own are penalized, because they have lost options and lost benefits, compared with those who retire because they are disabled or because they have reached the retirement age. There are other sections later in the act which deal with misconduct, those who are tried by court martial and so on. Would the minister think of this and give us an idea why there is such a difference?

Mr. Pearkes: The reason is that an actuarial balance is required, and in these cases the men have not served their full length of time. They have been retired for various reasons; maybe there is no further employment for them in their particular class of work. There are a variety of reasons, and it is to deal with situations of this kind that these minor modifications to the pension plan are introduced.

Mr. Roberge: I will take for example the case of a man who has served for 10 or more years. Under subsection 2, subparagraph (b) this man is retired because he is disabled, and he is entitled, I understand, to full annuity which may vary depending on the number of years he has served. I take next a man under subsection 3 who has served for 10 or more years. He retires. I will not say he is thrown out; he retires, say, to promote efficiency and economy, and this man is not entitled to the same benefit, so he is penalized through no fault of his own. He is not disabled, and he has not reached the retirement age, but still he is retired under compulsion and receives less benefit than the other man who has reached the retirement age or is disabled.

Mr. Pearkes: A man who has reached the full retirement age or a man who has become disabled in the service would naturally have his earning power in civil life reduced. But a man who is discharged before he reaches the full age of retirement, and is not disabled on his discharge, has his full earning power when he goes into civil life.

Mr. Roberge: I want to pursue this point a little further. I take the case of a man who has 15 years' service. That man would be around 35 years of age, or 33. He is retired from the force, today or tomorrow. What kind of work is he going to do in these days of unemployment, or now that he has reached a certain age when employers normally may not want him because he is too old or because he has no experience in trade or business? He is out on the sidewalk. I really do think this man is penalized because he is retired from the force through no fault of his own.

Mr. Pearkes: Of course the longer a man has served, the greater would be his benefits on leaving the service. We should also bear in mind that these men would very frequently be specialized tradesmen who would have received a training in the army which would enable them to secure employment in civilian life.

Mr. Hellyer: I wonder if the minister could tell us why, when a person is entitled only to a lump sum repayment, there is no interest paid to him in addition to the capital amount?

Mr. Pearkes: The hon. member is speaking of a man who is entitled to a return of contributions only. Well, it has never been the policy of the government either in this or in the previous pension scheme to add any interest to his contributions.

Mr. Hellyer: Is it the same under the Public Service Superannuation Act?

Mr. Pearkes: Exactly the same.

Mr. Hellyer: Has the minister given any thought to the possibility of vesting? Under private pension plans and pension plans initiated between unions and employers there are provisions whereby a person who retires in advance of the retirement age is entitled, after he has served a certain number of years, to the return not only of his own contributions but also of a certain proportion of the contributions of the employer, in some cases all those contributions. This is known as vesting. Has the minister considered giving part of the employer's contribution to the person who retires involuntarily before the retirement age?

Mr. Pearkes: No. I am informed that while this was considered, the present plan requires the retention of the government's contribution in the general superannuation fund.

Mr. Hellyer: Is it necessary to retain these contributions in order to keep the plan actuarially sound?

Mr. Pearkes: That is correct.

Mr. Hellyer: A great deal has been said recently about the possibility of portable pensions, pensions which may be taken from one place of employment to another. This enables many people in middle age who find it so difficult to obtain work to secure employment, because they are able to bring with them part of the pension which they have already earned. It cannot then be said that their employment in a new place would be to the detriment of the plan in effect there. When

the present pension plan was prepared, did the government or the department consider it in the light of setting up a universal plan of portable pensions?

Mr. Pearkes: The principle has been partially adopted inasmuch as the act enables the transfer of personnel, with their pension benefits, from the public service and the mounted police into the armed services. A broader application of this plan has been considered, but it has not been adopted in any of the government pension plans.

Mr. Hellyer: Partial application as between different branches of the public service, but it does not extend to employment outside of the public service.

Mr. Pearkes: That is correct.

Mr. Denis: Is the minister in a position to tell the committee how many contributors who have not reached the retirement age have been compulsorily retired to promote economy or efficiency? It might be interesting to know the numbers, for instance, in the last five years or so, so that we may know what amount of money is involved in this suggestion of the hon. member for Megantic.

Mr. Pearkes: Yes; I have some figures here. The number of retirements with between 10 and 20 years service, regular force, to promote economy and efficiency, has been 22, having had continuous service since world war II, and three who have not had continuous service since world war II. That makes a total of 25. There was not a large sum of money involved.

Mr. Denis: In how many years?

Mr. Pearkes: That is in the last fiscal year.

Mr. Denis: In the last fiscal year?

Mr. Pearkes: In the last fiscal year; 25 last year.

Mr. Roberge: There is something I fail to understand. Maybe the minister can enlighten me on this. In lines 4 and 5 on page 12 of the bill—it is easier to refer to it in this way—we find these words, "to promote economy or efficiency". In lines 29 and 30 of the same page of the bill reference is made to a contributor whose retirement is due to a reduction in the total number of members of the forces. Is there any real difference in these two expressions?

Mr. Pearkes: Yes. One deals with what might occur in the case of a reduction in one type of service; the other deals with a general reduction. You might find, for instance, that it was desirable to reduce the number of artillery men while at the same time keeping the full total of the number in the army; or, in a smaller case, the numbers in the postal service might be reduced; whereas the total number of the army might not be.

Mr. Denis: Is it not a fact that while you are reducing the total number of the forces you are at the same time talking about promoting economy? Maybe the first description does not include the second expression, but surely the second one includes the first one?

Mr. Pearkes: If there is a reduction in the number of personnel, that is a reduction purely to promote economy. There is no question as to the efficiency of the individuals concerned.

Mr. Denis: Yes, but in that paragraph they mention the two expressions, to promote economy or efficiency. The two expressions are in the first paragraph.

Mr. Pearkes: Which makes the point clear that there is—

Mr. Denis: It is not clear.

Mr. Pearkes: This section is to promote economy.

Mr. Roberge: I would like to go farther with my point. Clause 10 of the bill is related to sections 10 and 11 of the Public Service Superannuation Act, which is chapter 47, 1-2 Elizabeth II. I have read section 11, which deals with public servants who are contributors for five or more years. I fail to see in that section, when one is retired with more than five years service to promote economy or efficiency in the public service, that he is penalized as, it seems to me, the members of the forces are under subclause 3 of clause 10. Frankly, I should like the minister to consider it at a later date. This bill will go on to the other place. It might be a good place for the government to look into the matter. I should like the minister to consider deleting subparagraphs (c) and (d) of subclause 3 and substituting therefor a new subparagraph (c) which could read as follows: "If he has served in the forces for 10 or more years he is entitled to an annuity". It may be that some members of the forces would feel that they are discriminated against on account of subparagraph (c) as it now stands. With the kind of amendment I have suggested all members referred to in subclauses 1, 2 and 3 will be treated alike and the amount of annuity that they will receive will depend only on the years of service they have put in with the forces. It will not cost too much.

Mr. Pearkes: This was given very careful consideration. In the Public Service Superannuation Act there is what is called the

deferred annuity; that is, a man who is retired at an earlier age, for some reason or another, does not receive any pension until he reaches the age of 60. As far as the armed forces are concerned, he may get a termination allowance. Now, that is an immediate payment. The reason the armed forces did not wish to adopt the same system as the public service was the feeling that a great many men who have been in the armed forces have lived a life in barracks and have not learned a trade which will enable them to get established immediately on going into civilian life. By getting an immediate payment they are enabled to carry over during the period when they are searching for employment, or it gives them a certain amount of money to establish themselves in some private business. It was for this reason that the armed forces preferred to have this type of immediate payment rather than having a pension deferred until they reached the age of 60.

I think if the hon. member will consider conditions as they exist in the services in peacetime he will agree that this is probably the better system for these men who have to go out and who have not any particular trade or profession in which they may go.

Mr. Roberge: I just want to add a word. The minister has spoken about cash termination allowances. I agree entirely with him on that point; but under subclause 3 the cash termination allowance applies only to those members who have served more than three years and less than 10 years; it does not apply to those members who have served more than 10 years and less than 20 years.

Mr. Pearkes: Those who go out with 10 to 20 years service get an immediate reduced pension, and I think exactly the same argument applies to them. They have been up to 20 years in the service. They need money in order to help them to get established and to tide them over rather than wait until they have reached a more advanced age when they would receive their full pension.

Clause agreed to.

On clause 11—*Benefits payable on death.*

Mr. Hellyer: What difference from the previous act is there in the payments under clause 11?

Mr. Pearkes: Previously the maximum amount of money which was available to the widow and the children was limited to 75 per cent of the pension payable to the serviceman. Now that has been increased to 90 per cent to conform with the percentage which has been authorized in the Civil Service Superannuation Act.

Clause agreed to.

On clause 12—*Lump sum payments.*

Mr. Hellyer: Can the minister tell us if the definitions in 12 (4) have been changed from the previous act and, if so, to what extent?

Mr. Pearkes: There is no change from the previous act.

Mr. Hellyer: In clause 12 (5) there are these words:

> —that the widow of the contributor had, for a number of years immediately prior to his death, been living apart from him under circumstances that would have disentitled her to an order for separate maintenance under the laws of the province in which the contributor was ordinarily resident—

And so on. Is this consistent with the earlier revision of one of the other defence acts where entitlement was based on the laws of a single province, the laws of the province of Ontario, I believe? If I remember correctly, the minister explained at that time that they were trying to make uniform regulations which would apply not only across the country but also to persons residing overseas. Is this a reversion or is this the only way it can be applicable? Perhaps the minister could enlighten us.

Mr. Pearkes: I think the hon. member is referring to the rules of evidence as described in the National Defence Act amendments introduced earlier this session. I do not think they apply here at all.

Mr. Roberge: Is clause 12 in line with the Public Service Superannuation Act?

Mr. Pearkes: It is identical.

Mr. Hellyer: In a case where the serviceman was resident overseas at the time of his death, if such a case could occur, would it then be applied on the basis of the province in which he was ordinarily resident in Canada?

Mr. Pearkes: Would what be applied?

Mr. Hellyer: The definition under clause 12 (5).

Mr. Pearkes: Yes, I take it that it would be where he was ordinarily resident.

Mr. Hellyer: The province in which he was ordinarily resident.

Mr. Pearkes: Yes.

Clause agreed to.

On clause 13—*Marriage after 60 years of age.*

Mr. Roberge: With respect to subclause 7, am I right in assuming that this does exclude the widower of a female member of the force?

Mr. Pearkes: The widower receives no benefit.

Mr. Roberge: Even if he is sick or disabled.

Mr. Pearkes: That is correct.

Mr. Denis: That is not fair to the male.

Mr. Pearkes: They have many other advantages, you know.

Mr. Hellyer: Do we not believe in equality of the sexes?

Clause agreed to.

Clauses 14 to 18 inclusive agreed to.

On clause 19—*Election.*

Mr. Pearkes: Mr. Chairman, I have an important amendment which the Minister without Portfolio will move.

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

That Bill C-62, an act respecting the superannuation of members of the Canadian forces, be amended

(a) by striking out lines 29 and 30 on page 24 thereof and substituting therefor the following: "in the forces or any period of service described in section 5, that, under the public service"; and

(b) by striking out lines 16 to 25 on page 26 thereof and substituting therefor the following: "person described in subsection (1), and the person so electing shall be subject to the provisions of subsection (1) in all respects as though he had not become entitled to an annuity or annual allowance under that act but had elected under subsection (1) to pay for the whole of that service."

Mr. Pearkes: In explanation I would point out that the purpose of clause 19 of the bill is to permit a civil servant or a member of the R.C.M.P. who becomes a member of the regular forces, and thus a contributor under the proposed Canadian Forces Superannuation Act, to transfer to this latter act all of his public or R.C.M.P. service and prior military service which he was entitled to count under the Public Service Superannuation Act or the Royal Canadian Mounted Police Superannuation Act as applicable. Under the present wording of clause 19 (1) and 19 (5) only public or R.C.M.P. service may be transferred. The proposed amendment to the clause will permit the transfer not only of the foregoing services but also of prior military service that he may have been entitled to count while employed as a civil servant or as a member of the R.C.M.P., thus bringing together all pensionable service which may be counted under the Canadian Forces Superannuation Act. The clause, of course, provides that if a contributor elects to transfer such service to the proposed new act he ceases to be entitled to any benefits under the Public Service Superannuation Act or the proposed Royal Canadian Mounted Police Superannuation Act as the case may be.

Amendment agreed to.

[Mr. Roberge.]

Clause as amended agreed to.

Clauses 20 and 21 agreed to.

On clause 22—*Recovery of debit balance in pay account of former member.*

Mr. Roberge: Does this differ in any way from the former act or the Public Service Superannuation Act?

Mr. Pearkes: It is the same as in the former act, but there is no equivalent clause in the R.C.M.P. or the public service act. However, it is exactly the same as in the previous act.

Clause agreed to.

Clauses 23 to 31, inclusive, agreed to.

On clause 32—*Meaning of "child".*

Mr. Hellyer: I wonder if the minister is going to make available, after the passage of this bill, a number of expert advisers who are familiar with its many ramifications and complications so that ordinary mortals will be able to turn to someone to find out just what their entitlements are?

Mr. Pearkes: There are, of course, in all the different commands personnel in the services who are specialists in the pension act and regulations and able to act as counsellors to the various persons before they are discharged from the service. After they have been discharged, if they require any information, of course there are counsellors in the Department of Veterans Affairs and the judge advocate general's branch is always available to give any extra advice.

Mr. Hellyer: Will the minister make one or two of these experts available to members of the opposition before this act comes up for revision next time?

Mr. Pearkes: I hope third reading will be given today, so there will hardly be time to do that.

Clause agreed to.

Clauses 33 to 43, inclusive, agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read a third time? Now?

Some hon. Members: By leave.

Mr. Pearkes moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-61, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for the period from the 1st day of January, 1959 to the 30th day of June, 1960, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Mr. Deputy Speaker: Shall the motion carry? Carried.

Mr. Hellyer: Just a moment, Mr. Speaker.

Mr. W. M. Benidickson (Kenora-Rainy River): I thought, Mr. Speaker, you were a bit precipitate in saying "Adopté". I have not many remarks to make, but this bill comes before us annually. The hon. member for Laurier (Mr. Chevrier) and some other members of the house had some remarks to make on June 15 as reported on page 4719 of *Hansard,* and the following pages. I do not want to repeat those remarks. I did feel the minister neglected to reply to one or two points that were raised. I am thinking of the $7 million plus item with respect to the depreciation of locomotives, upon which he made no comment at that stage of the debate.

Mr. Fleming (Eglinton): Yes, I did.

Mr. Benidickson: I was thinking, in addition, that nothing has been said by the government when we have this opportunity about the Canadian National pension hikes that might be made, particularly because of the public interest there might be when we have, as we had prior to this item, discussion of pensions for other categories of public employees. The Canadian National, of course, is a crown company.

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

On clause 1—*Short title.*

Mr. Benidickson: Mr. Chairman, so far as I know, and according to my examination, this bill, with certain understandable departures, is in exactly the same form as in previous years. The departures, of course, relate to the matter of warrants which refer to T.C.A. and there is some slight change in the wording with respect to the auditors because new auditors were appointed last year.

Apart from that, does the minister agree with me that, except for the figures, we have a bill in exactly the same form as is customarily presented?

Mr. Fleming (Eglinton): Yes, entirely, Mr. Chairman. The form of the legislation for this purpose was changed in the year 1952, and the form of the bill has become largely standardized since. The clause dealing with the appointment of auditors was added to this bill several years ago and that practice has been followed too. There are, therefore, no departures in the form of this bill from what has now become a standard form of bill.

Mr. Benidickson: In order to avoid repetition, I simply want to put on the *Hansard* record for the information of outside readers the fact that information relating to this item is available in the minutes of the committee on railways, air lines and shipping for Wednesday and Thursday, May 6 and 7, 1959, when the president of the Canadian National, Mr. Gordon, was examined. His evidence, with respect to the capital budget, is available on the pages of the committee record starting at page 215. I see no point in repeating any of the information that was obtained by members at that time, other than to point out that on page 223, members might be interested in knowing that this very heavy annual capital expenditure seems to be perhaps on the decline in that the programs for dieselization, road mechanization and road improvement, as well as some other items, are coming to completion. Mr. Gordon said that the figure for this year is $75 million lower than the figure for last year. As I said at the resolution stage, I think we are all impressed with the magnitude of the items of capital expenditure that are asked for by this road and in turn the extra expense that is required to finance this capital debt on a steady annual basis.

Clause agreed to.

Clauses 2 to 11 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO EXTEND OPERATIONS, PROVIDE FOR MAXIMUM GUARANTEE OF BANK LOANS, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-63, to amend the Farm Improvement Loans Act.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to say a few words about the proposed amendments

to the Farm Improvement Loans Act. Furthermore, I intend to direct certain questions to the Minister of Finance (Mr. Fleming) when the house is in committee.

On June 15 last, while the house was considering the resolution to amend the act, we were glad to hear the minister commend that bill.

After explaining why the act had been adopted, the minister quoted figures which fully vindicate the advantages contemplated by that legislation. In fact, as recorded on page 4736 of *Hansard,* he stated:

> Loans under the act during 1958 totalled 70,278 in number, and $90,539,743 in amount borrowed. This represents an increase in lending of approximately $20 million over the amount lent during each of the preceeding three years.

The minister also told the house that the increase was much more substantial for the first three months of 1959, when loans had increased from $10,436,991 to $14,707,086, that is an increase of 40 per cent. He stated further that there was every reason to believe that in 1959 those loans would reach an unprecedented volume.

Mr. Speaker, I do not propose to take too much of the house's time in analysing the report made by the minister and saying all the good I think about the proposed legislation. Besides, it has already been commended by the minister himself when he said, as recorded on page 4736 of *Hansard*:

> The figures give some indication of the credit service which has been rendered to Canadian agriculture through this legislation. The credit has been available and utilized in all provinces.

We, in the province of Quebec, are happy to be able to enjoy the benefits of an act passed in 1934 under a Liberal government, of which the Hon. James Ilsley, then minister of finance, and the Right Hon. Mr. Gardiner, then minister of agriculture, were members.

It is to the latter, especially, that we owe all the agricultural legislation which gave our farmers the prosperity they have known during the post-war years. I am convinced that the hon. member for Cariboo (Mr. Henderson) agrees with me.

If our farmers have increased their loans, can it be due to an improvement in farming conditions? No, Mr. Speaker, because they have run into debt to the tune of $40 million in 1957 and 1958, and of over $14 million in the first three months of 1959.

The Minister of Agriculture (Mr. Harkness), saw fit to announce, on various occasions, that the increase of agricultural production was 8 per cent higher than the year before. However, he did not say by what amount farmers went into debt during the same period.

Apart from having incurred debts to the amount of $54 million under the Farm Improvement Loans Act, farmers have also increased their liability to the extent of $61 million under the Canadian Farm Loan Act. During the last three years, loans granted by the board were $8.2 million for 1955-56, $13.2 million in 1956-57, $19.3 million in 1957-58, and $29 million for the year 1958-59.

Mr. Speaker, my purpose in giving those figures was to show the house that the farmers' position is not as rosy as the Ministers of Agriculture and Finance have indicated. Farmers are getting deeper into debt from year to year, so much so that many of them will be bankrupt within the next few years, if their position does not improve.

Mr. Speaker, I realize I am not allowed to dwell on this subject or to discuss the farmer's position. However, I reserve the right to revert to this matter when the proposed amendments to the Canadian Farm Loan Act come up for debate.

I just wanted to say that we have a long way to go to restore to farmers the confidence they had before the Conservative government took over.

Before concluding my remarks, Mr. Speaker, may I say that we are supporting this bill. If I had to reproach the Minister of Finance with anything about it, it would be his failure to introduce this legislation sooner, considering that the fiscal year ended on March 31 last. We are now at the end of June, banks have continued making loans and we are asked to pass legislation that expired on March 31 of this year. If it is decided to change that legislation next year, I hope the Minister of Finance will submit amendments early in the session.

(Text):

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

On clause 1—*Farm.*

Mr. Benidickson: Mr. Chairman, in connection with this bill, and following up the remarks of the last speaker when he pointed

out, as I understand it, that the three-year maximum allowance expired at the end of March, I see nothing in this bill which is the equivalent of an amendment which I believe was made three years ago under similar circumstances which made clear that any lending done from April 1 to the royal assent to the bill would have approval.

Mr. Fleming (Eglinton): Yes, that is clause 3 of the bill.

(Translation):

Mr. Boulanger: Mr. Chairman, in paragraph (ff) of subsection 1, the following definition is given with regard to the word "farming" ...

(Text):

(ff) "farming" includes livestock raising, dairying, bee keeping, fruit growing and all tillage of the soil;

Could the minister tell us if a sugar producer is included in this paragraph?

Mr. Fleming (Eglinton): The only change being made in the definition of farming in the present bill is to include bee keeping within the scope of the definition of "farming". Hitherto bee keeping when pursued as a separate avocation has not been included within the definition of farming. The purpose of this amendment is to include it from this point forward.

Mr. Boulanger: Can a sugar producer receive a loan under this clause?

Mr. Fleming (Eglinton): It would depend on whether he did nothing but raise sugar. If he is growing sugar beets that is obviously farming; but if he is producing sugar by some other means, such as maple sugar, it depends on whether he is pursuing farming, and this is an adjunct or side line, as it is in most cases.

Mr. Benidickson: Could the minister give us some information about the lending which has taken place from the time of expiry of the last authority to the present time? Has it gone on without any change in pace or pattern? The minister did give some assurance to the banks.

Mr. Fleming (Eglinton): Yes. The chartered banks agreed to continue lending without interruption on the assurance I gave them that we would be introducing this bill at the present session.

Mr. Benidickson: Has the minister found any reluctance on the part of the banks to carry on in the same magnitude their lending as a result of the 5 per cent interest rate? Do the figures indicate that lending is continuing notwithstanding this rate, which is somewhat low having regard to the tighter money market which exists at the present time?

Mr. Fleming (Eglinton): Yes; there has been no diminution in the volume of lending, I am informed. I just hope this bill passes before someone suggests that there should be some increase in the interest rate.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

Title agreed to.

Bill reported.

PUBLIC SERVICE

CONTINUATION OF INCREASED PENSIONS FOR SUPERANNUATED CIVIL SERVANTS, ARMED FORCES PERSONNEL AND MOUNTED POLICE

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-60 respecting the adjustment of certain public service pensions.

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

On clause 1—*Short title.*

Mr. Benidickson: Mr. Chairman, the minister made no remarks when we were debating the previous bill with respect to capital funds for the Canadian National Railways. Surely now when we have before us a bill with respect to a general increase in pensions for retired civil servants it might be appropriate for the minister to say something about approaches that may have been made to him by either the Minister of Transport, speaking for the C.N.R., or the Prime Minister who, in days gone by, was a strong advocate for increasing the pensions of retired C.N.R. employees. They are not included in this bill, and I wondered, as I asked previously, whether or not other members of the ministry have approached the Minister of Finance in this connection, because this would require attention on the part of the Minister of Finance.

Mr. Fleming (Eglinton): Mr. Chairman, as the hon. member has said, there is no provision in this bill which affects the pensions payable to retired employees of the Canadian National Railways or Canadian government railways. This bill applies broadly to three categories: former civil servants, former members of the armed forces, and former members of the Royal Canadian Mounted Police.

So far as the other subject is concerned, questions were asked on a previous occasion.

I think on June 15, on another measure, and in that regard I gave the committee the information that I had at that time.

Clause agreed to.

Clauses 2 to 12 inclusive agreed to.

On clause 13—*Amounts payable out of C.R.F.*

Mr. Martin (Essex East): Mr. Chairman, would you mind explaining exactly what the formula "Carry-Adopte-Carried" means? Is not only one word necessary in those words of approval of Your Honour?

The Chairman: It is the tradition to translate the two expressions of this word in both English and in French. In French it is "Adopte" and in English it is "Carried".

Mr. Martin (Essex East): Of course, but Your Honour says "Carry-Adopte-Carried". Why the second "carried".

Mr. Harkness: It means, "Is it carried? Yes."

Mr. Martin (Essex East): It is not a criticism; I just wanted information.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

ROYAL CANADIAN MOUNTED POLICE

LEGISLATION RESPECTING ORGANIZATION AND DISCIPLINE

The house resumed, from Tuesday, June 9, consideration in committee of Bill No. C-34, to amend the Royal Canadian Mounted Police Act—Mr. Fulton—Mr. Rea in the chair.

On clause 41—*Notice of Appeal.*

Mr. Roberge: When we reached clause 41 the last time this order was called I had the honour to move an amendment which was not carried. That was an honour, too. But the Minister of Justice agreed when the hon. member for Cartier spoke of 96 hours, and after that there was some private discussion with regard to this clause 41, so I wonder if the minister has something to add on this clause. Possibly he may himself have an amendment to move or to have moved.

Mr. Fulton: Yes, Mr. Chairman. The discussion on the last occasion related to the possibility that a member might be prejudiced because of the short time within which he must file his notice of appeal, as provided in this proposed clause. I pointed out that I did not think there would actually be much hardship because the member would in every case be at a divisional or subdivisional headquarters. It was not as if he would be returned to some distant detachment where the mails are slow and where this provision might cause some hardship. However, I did agree that I would be prepared to consider an extension of the time, because I do not think it would do any harm and it might save some hardship, although I cannot actually visualize cases in which that would be necessary. I am therefore prepared to ask one of my colleagues to move:

That clause 41 be amended by striking out the comma after the word "requests" in line 7 on page 13 and inserting the words "within forty-eight hours after the passing of sentence," and also by deleting the words "forty-eight hours" in line 8 and substituting therefor the words "four days".

The effect of this change would be to give a convicted member 48 hours after the passing of sentence in which to decide whether he wants to appeal, and then if he makes a decision to appeal within that 48 hours he has a further 96 hours to proceed with the written notice of appeal so that in effect he will have six days within which to perfect the actual notice.

Mr. Harkness: I so move.

Mr. Roberge: Of course, this amendment is welcome on this side of the house and, as I said earlier, I will have the honour to support it, but I would like to ask the minister this. The request would have to be made within 48 hours after the passing of sentence; there would be a lapse of time during which the transcript is being made, and then he would have four days to decide whether he would appeal or not. Is the minister prepared to say that all this time the member will be stationed at headquarters?

Mr. Fulton: Yes, he would be kept at the place where he is tried.

Mr. Roberge: Something in the regulations would provide that?

Mr. Fulton: Yes.

Mr. Herridge: I want to say how pleased we are that the Minister of Justice has responded to the eloquent plea of the hon. member for Megantic for an amendment to this clause and to the very logical and wise arguments put forward by members of this group because of their basic humane sentiments.

Mr. Crestohl: It occurs to me that the delay occupied by the making of the transcript may shorten the effective time allowed to the convicted member who is considering an appeal, and this is bound to be the case unless the minister would undertake to introduce some provision which would ensure the transcription of the evidence at once. The minister

certainly sees the point I am trying to make. There may be delay in transcribing the evidence and if he must lodge his appeal within a certain time he may be prejudiced if there should be an unfortunate delay, for some reason or another, that the evidence is not being promptly transcribed.

Mr. Fulton: We would be prepared to look at that in the regulations and see that a reasonable time is prescribed there.

Mr. Crestohl: Could we have some provision by which the time at which the appeal should be made would be after the evidence has been transcribed, say from the time of the transcription of the evidence rather than from the moment of the conviction?

Mr. Fulton: That is the case now.

The Deputy Chairman: Order. It being five o'clock it is my duty, pursuant to section 3 of standing order 15 to leave the chair in order to permit the house to proceed to the consideration of private and public bills.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Hamilton (York West): Mr. Speaker, I wonder whether the house would consider giving unanimous consent to carry on with the business of the house which was just suspended?

Mr. Winch: No.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to standing order 15 (3).

There being a number of private bills standing for consideration in committee of the whole, is it agreed that in accordance with section 1 of standing order 54 they be considered in one motion?

Some hon. Members: Agreed.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. S-23, respecting the Roman Catholic Episcopal Corporation of Prince Rupert.—Mr. Henderson.

ROGER MYRE

The house in committee on Bill No. SD-302, for the relief of Roger Myre.—Mr. McCleave—Mr. Rea in the chair.

On section 1—*Marriage dissolved.*

Mr. Broome: Would the chairman of the private bills committee care to comment on this group of divorce bills?

Mr. Pickersgill: Heaven forbid!

Mr. McCleave: I shall be glad to make a very brief comment. First considering the nature of the interjection of the hon. member for Bonavista-Twillingate, I perhaps have some information which will be of interest to him and to the bona fide residents of the province of Newfoundland.

Mr. Pickersgill: Might I ask the hon. gentleman whether he will explain what he means by "bona fide"?

An hon. Member: Everyone except the hon. member.

Mr. McCleave: It would not be up to me, Mr. Chairman, to dare to lecture a student in the law as to what is a bona fide resident of the province of Newfoundland, but it does involve questions of domicile, permanent intention to stay in a certain place, come what political winds that may.

Mr. Pickersgill: Mr. Chairman, I believe I have a question of privilege. No one could have any firmer intention of staying where he now is as long as his constituents want him than the member for Bonavista-Twillingate.

Mr. McCleave: I am sure that will be very reassuring to certain constituents of the hon. member, but we have seemed to drift from the main point. The information that I was going to outline before the committee this afternoon is that this particular group of 38 divorce bills contains the first case involving a Newfoundland divorce this session, and as far as I know from the cases that are yet to be processed in the other place and here this will be the only case and, if so, this would give Newfoundland the very great distinction of having the lowest divorce rate in all of Canada.

The hon. member for Vancouver South has asked for some brief comment, I gather, on the nature of the evidence in the 38 cases which are before us this afternoon. I can point out that only 11 of the 38 fit the so-called hotel or motel category, and this is somewhat below the average that one would find in any particular batch of cases.

The other point I would mention is that 15 of the 38 petitioners whose petitions are before the committee this afternoon are husbands and this is a very high percentage. Normally one finds that in 95 per cent of all these divorces it is the woman who is seeking relief, but here this afternoon we find that 15 of the 38 petitioners are husbands.

The Deputy Chairman: Shall Clause 1 carry?

Mr. Peters: Just on this matter of 15 husbands seeking divorces, has any check been made to see if the dower rights, or the rights normally accruing to the woman through this action, have been protected?

Mr. McCleave: Mr. Chairman, I do not have the advantage of legal advisers here this afternoon, but a woman who commits adultery does, I believe, lose her dower rights. That is true of most provinces in Canada. I am not sure about the position in the province of Quebec. I think I can reassure the hon. member who has raised this particular question that the women who are sued for divorce in all the cases are in this position. I go very quickly through them and I see that in all cases but two these women have found another breadwinner to keep them alive.

The Deputy Chairman: The matter the hon. member is discussing is not under the jurisdiction of the House of Commons. Shall clause 1 carry?

Mr. Peters: Of those 15 cases were any contested by the wives?

Mr. McCleave: Of the 15 cases where the husbands sued the wives there was one case which was contested before the committee of the other place. The wife and her witnesses were heard and the divorce was recommended by that committee.

Mr. Peters: Mr. Chairman, in this particular contested case were there financial arrangements made either in the committee or in some other place?

Mr. McCleave: The answer is that the woman involved had engaged in some business enterprise, I think in her present business; I am not sure but I believe that to be the case. In any event, she was a businesswoman. There were certain financial dealings between the husband and the wife before the action was brought.

Mr. Peters: Was there a satisfactory settlement between the parties, or was this part of the reason for the particular case being contested?

Mr. McCleave: I believe they were not settled to the satisfaction of the wife, Mr. Chairman, because if there were any business brains in that particular duo they belonged to the wife herself. The husband had committed an offence in bankrupty and as a result had spent a certain amount of time in prison.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

[The Deputy Chairman.]

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill SD-303, for the relief of Lee Dacks Moscovitch.—Mr. McCleave.

Bill SD-304, for the relief of Lillian Goldbloom Howard.—Mr. McCleave.

Bill SD-305, for the relief of Giovanni Cavallero.—Mr. McCleave.

Bill SD-306, for the relief of Lorna Frances Hutchinson Kerr.—Mr. McCleave.

Bill SD-307, for the relief of Jessie Balfour Mains McCartney Manson.—Mr. McCleave.

Bill SD-308, for the relief of Guy Charbonneau.—Mr. McCleave.

Bill SD-309, for the relief of Meade Alexander Morgan.—Mr. McCleave.

Bill SD-310, for the relief of Carol May Campbell Williams.—Mr. McCleave.

Bill SD-311, for the relief of Adela Hawthorne Pattison.—Mr. McCleave.

Bill SD-312, for the relief of Samuel Currie Millar.—Mr. McCleave.

Bill SD-313, for the relief of Helen Mary Margeson Ransome Scudamore.—Mr. McCleave.

Bill SD-314, for the relief of Claire Anna Theresa Verdon Monette.—Mr. McCleave.

Bill SD-315, for the relief of Constance Edna Medcalfe Blood.—Mr. McCleave.

Bill SD-316, for the relief of Norma Margaret Martin Raymo.—Mr. McCleave.

Bill SD-317, for the relief of Audrey Barrasford Milburn.—Mr. McCleave.

Bill SD-318, for the relief of Sandra Stoll Goldenberg.—Mr. McCleave.

Bill SD-319, for the relief of Edith May Driscoll Jeffrey.—Mr. McCleave.

Bill SD-320, for the relief of Joyce Ethel Commerford Brewster.—Mr. McCleave.

Bill SD-321, for the relief of Hirsch Glaser. —Mr. McCleave.

Bill SD-322, for the relief of Maria Gagne Cote.—Mr. McCleave.

Bill SD-323, for the relief of Gail Patricia Northrup Brazauckas.—Mr. McCleave.

Bill SD-324, for the relief of Gilbert Forest. —Mr. McCleave.

Bill SD-325, for the relief of Yvon Poulin. —Mr. McCleave.

Bill SD-326, for the relief of Karl Wilhelm Oskar Bartels.—Mr. McCleave.

Bill SD-327, for the relief of Joseph Aime Paul Guy Genest.—Mr. McCleave.

Bill SD-328, for the relief of Allan Ray Wright.—Mr. McCleave.

Bill SD-329, for the relief of Michael Kalabiha.—Mr. McCleave.

Bill SD-330, for the relief of Joyce Ann Breaker Lee.—Mr. McCleave.

Bill SD-331, for the relief of Zina Goffman Filler.—Mr. McCleave.

Bill SD-332, for the relief of Omula Karnitis Rakauskas.—Mr. McCleave.

Bill SD-333, for the relief of Joseph Bernard Alberia Gustave Lahaise.—Mr. McCleave.

Bill SD-334, for the relief of Michael Palangio.—Mr. McCleave.

Bill SD-335, for the relief of Grace Evelyn Heggtveit Richter.—Mr. McCleave.

Bill SD-336, for the relief of Ross Kevin Ladd.—Mr. McCleave.

Bill SD-337, for the relief of Georgina Horne Parsons.—Mr. McCleave.

Bill SD-338, for the relief of Esther Paula Beernaert Martindale.—Mr. McCleave.

Bill SD-339, for the relief of Audrey Bruce Laborgne.—Mr. McCleave.

CANADA ELECTIONS ACT

AMENDMENT TO EXTEND ABSENTEE VOTING PROVISIONS

The house resumed, from Tuesday, March 10, consideration of the motion of Mr. Howard for the second reading of Bill No. C-16, to amend the Canada Elections Act (absentee voting).

Mr. R. J. McCleave (Halifax): Mr. Speaker, this bill was considered for the first time at this session, for the first time since the government changed two years ago, I believe, and possibly for the first time in the history of parliament, on March 10 of this year. If I may trespass very briefly on the time of the house, perhaps it would be useful, before getting into general observations on the principle of the bill, to point out exactly what the bill attempts to do.

As the hon. member for Skeena (Mr. Howard), the sponsor of the bill, pointed out on March 10, this particular amendment to the Canada Elections Act should not be confused with another amendment standing in his name dealing with advance polls. The absentee voting provided for in this particular measure is not the advance voting provided for in the other measure standing in the hon. member's name. The provisions of this bill would enable one to vote somewhere else on the normal election day. Advance polls, of course, are held before the general election day.

The hon. member had a precedent in proposing this particular measure for our consideration in the practice carried out in two western provinces, British Columbia and Saskatchewan. To a limited extent the right of absentee voting exists in the province of Ontario but I understand it pertains only to mariners who may be absent from their particular riding on election day. The bill provides two different forms of ballot to take advantage of absentee voting. One is an ordinary ballot for people who may find themselves in the riding on election day but remote from the poll where they would normally be expected to vote. I presume this would apply in the case of very large ridings such as we have in the northern and northwestern part of the country and I can see that it might also be of value in a riding such as I represent which stretches approximately 120 miles along the coast of Nova Scotia and where one might be in Ecum Secum and entitled to vote at Hubbards at the other end. That is one of the ballots proposed in the measure introduced by the hon. member.

The second is a special blank ballot which is for use outside the constituency under the formula set forth in the bill. There may be some confusion with respect to ballot form 36A which is printed as part of the schedule to the bill in that there are two blank spaces on that ballot. As all hon. members know, there are two ridings in Canada which are dual-member constituencies. I have the honour to represent one, the constituency of Halifax, where one is entitled to vote for two members on election day. The other is the riding of Queens in Prince Edward Island.

The blank ballot that is proposed for the absentee voter could of course give rise to problems in single member ridings where, unless there is a great deal of public education on the matter, the absentee voter might think he had hit a bonanza and was entitled to vote for two members instead of one, absence making the heart grow fonder, so to speak, of all politicians. It is not a danger to be fond of all politicians but it is a danger to lose your vote by voting for too many politicians. However, my observation is perhaps of the picayune variety and any danger could be cured when the bill reaches committee by deciding that the ballot should have a single blank space for single member constituencies and a double blank space for double member constituencies.

The formula offered to us by the hon. member for Skeena in presenting the measure is that absentee voting should be confined to those people who are in a province adjacent to the one in which they are resident. This would be of great advantage to the people of the maritimes. Each one of our three provinces is adjacent to the others. Elsewhere in Canada, a person from Ontario would have a chance to vote in Quebec or Manitoba but that is all. A New Brunswick

man who was absent from the province on election day could vote in Quebec, Prince Edward Island or Nova Scotia. He would have three chances, as it were, three places where he could vote instead of two. I will say something about the adjacent province formula a little later.

One other proposal made in the bill before us this afternoon is that nomination day take place 28 days in advance of polling day. It is usually 14 days except in certain areas which are most isolated. I must confess that I do not follow the reasoning of the hon. member in making this proposal.

We all grant that the right to vote is one of the most important rights that citizens in a democracy enjoy and at first blush it would seem very important that we do all we can to see that the vote is as heavy as possible. In proposing this measure the hon. member for Skeena will certainly ensure that there will be at least a few thousand votes added in every riding, votes of people who for some reason or another are unable to be at home on election day. I am sure most members would agree that if the case were as simple as that it would be a very good thing for us to have a system of absentee voting in Canada.

Other approaches toward solving the problem of the absentee voter commend themselves. For example, a voter may be away on business and I thought one approach would be to declare election day a holiday, as it is for certain people, or declare it a bank holiday so that the ordinary business of the country would cease and everybody would be free to go to the polls. The danger of that approach is that if you declare a holiday everybody will immediately go forth to their pleasures, and instead of building up the vote you would probably simply build up the necessity for some system of absentee voting.

Another approach, and again this is not the method used by the hon. member, would be to set forth some list of exemptions of those who would be entitled to use the absentee vote. He has done this in a certain respect, in that a person has to show some cause for being unable to be at his poll on election day and therefore asking to use another poll or, if outside the province, a blank ballot.

These are three approaches, and the one he has chosen is to use the adjacent province formula, mixed in with some show of cause as to why the voter is absent from the place he would be normally expected to vote. My problem, Mr. Speaker, is that I could not make up my mind when the measure was debated on March 10 as to what approach I should take to this problem. When I rose to speak at that time the whip of the Liberal party said I had one minute, so there was not much time to make up my mind. It is a far cry from March 10, but I am still unable to make up my mind whether or not this is really a good measure. The problem I face, Mr. Speaker, is that I am not sure whether or not this is a cheapening of the democratic process.

The right to vote has been a hard fought one; blood has been spilled and heads have been knocked in. People have gone to their graves to ensure that there shall be a democratic process in Canada and in other countries. Now, we are taking this hard fought right to vote, one of our most precious rights, and we are, in effect, debasing it somewhat in making it as available as all the attractive groceries that line the shelves of a supermarket. We are saying to a person that it is possible to feel free to roam at election time because upon showing good cause he will be able to vote. I am sure that the "good cause" would be construed in a generous rather than a narrow sense. I am sure there would be hundreds of people who would take advantage of the opportunity. I feel that this approach to voting does tend to cheapen the value of a particular vote.

However, that is not going to be my main consideration in announcing my decision in due course toward this bill. I should like to hear arguments on the point I have just presented. Perhaps those who follow me in the debate would be good enough to help clear up the doubts that are in my mind about it. There was one point made by one of the previous speakers, and I think the hon. member for York-Scarborough (Mr. McGee) raised it by way of a question rather than by any speech of his own. He asked whether there was not a danger that the election results might be rather inconclusive on election night because there would still be these absentee votes to be counted. This happens in any close race now because the armed services' vote is not brought into the final tally until some days or weeks later. I suggest to the hon. member for York-Scarborough, who raised the question, that it is really answered by comparing the absentee vote to the armed services vote in that respect.

Before I sit down, Mr. Speaker, it is time to make up my mind as to whether or not I am in favour of this measure. I think perhaps I am not, but I would give it support here if I could be convinced that this method of making voting easier is not a means of debasing the sacred right of the ballot.

(Translation):

Mr. Vincent Brassard (Chicoutimi): Mr. Speaker, on several occasions in the past, though I am not terribly old, I have had to

sacrifice a trip and to postpone important business to wait for polling time in my constituency, because I made it a point to fulfil what I consider as an important duty for any responsible citizen who has regard for our democratic way of life.

I know that a great many people have been doing the same, and I also know that a great many citizens will not bother to vote if it interferes with some immediate pleasure or task.

We find that, under certain circumstances, candidates are elected by an active minority, while large numbers of voters do not bother to vote. This is, of course, a lack of responsibility on the part of people who feel free to criticize those who take on the task of managing the country's business. Indeed, I understand that in some countries, it has been necessary to make voting compulsory, and to force citizens to meet their obligation.

Mr. Speaker, I know I would be out of order in wandering off too far into the field of compulsory voting, but perhaps you will allow me to point out that it is a shame to see so many people show so little consideration for a right that was gained at the cost of untold sacrifices, and often, indeed, through revolt and bloodshed.

Even in Canada, we had to fight tooth and nail to gain the right to vote and to enjoy responsible government, and I think it is because of the carefree life we are used to, and the freedom we enjoy, that people today hardly bother about casting their vote.

Therefore, Mr. Speaker, it gives me pleasure to support Bill C-16, as introduced by the hon. member for Skeena (Mr. Howard). I think if this amendment to the Elections Act were passed, fewer people would find an excuse for failing to vote.

In the last election, for instance, I know of scores of people who apologized in advance for being unable to vote because they were planning a trip. Others, travelling salesmen, were unable to take advantage of advance polls, because the rules governing such polls are so strict that very very few people can qualify. I do not have the figures here, but in a constituency such as my own, where there are over 33,000 people on the voting list, less than 15 per cent were able to use the advance poll.

Mr. Speaker, I am even wondering whether the hon. member has gone far enough in proposing to open up the polls only to people travelling in adjacent provinces. Personally, I think every Canadian citizen should be entitled to vote anywhere in Canada. Indeed I would even suggest that those who travel abroad should have an opportunity to vote by calling at the closest Canadian consular office.

An example of this method has been given by the French republic which, in its last referendum, succeeded in getting its citizens in foreign lands to vote, and indeed in getting the vote from French citizens who have since then become citizens of other countries.

To sum up, Mr. Speaker, I favour the principle of any measure aimed at promoting the exercise of the right to vote, and the normal functioning of democracy; it gives me pleasure, therefore, to lend my support to the bill introduced by the hon. member for Skeena.

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, it gives me pleasure to take part in the debate on Bill C-16.

I fully agree with the hon. member for Chicoutimi (Mr. Brassard) in his statement that the right to vote is a privilege and a duty that every citizen should exercise on polling day. However, I feel that it is a privilege that people normally ignore.

In fact, in the recent Ontario elections, only 64 per cent of registered voters cast their vote.

In the last general elections, over 83 per cent of the voters in my constituency cast their votes. I think this is practically a record.

Across the river, in the constituency of Winnipeg South Centre, 80 per cent of the voters cast their votes, while the turnout in Bonavista-Twillingate was only 75 per cent.

In my opinion, this bill is somewhat too complicated. In my view, the right to vote should not be exercised outside the province itself, because so few voters exercise that privilege. In my opinion, it would be quite difficult to conduct an election in that way.

The advance polls now provided are little used. For instance, in St. Boniface, 78 voters out of a total of 35,000, exercised their right to vote on the appointed days. In Winnipeg South Centre, only 66 voters out of 53,443, voted at the advance polls.

Besides, when you study those figures you find that voters at advance polls generally

vote the same way as the majority of voters in the constituency. For instance, in Winnipeg South, where the Conservative majority was considerable, 45 voters favoured the Conservative party, 14 the Liberal party and 7 the C.C.F. party.

Now, in St. Boniface, out of 78 who voted at advance polls, 34 supported the Conservative party, 26 voted C.C.F. and 17 voted Liberal.

I said just now that the procedure proposed in this bill would be too complicated because people are not even interested in voting, even if, in many cases, their polling station is only a few hundred yards away.

To exercise his right of vote, under this bill, the elector will have first to apply for a ballot paper from the returning officer's office of his electoral district. Then, he would have to get a witness to identify him in the poll where he would vote. In addition, he would have to sign an affidavit, and the person who would accompany him would also have to take the oath. I believe that few people would willingly submit to all those requirements.

However, if some easier procedure could be devised, perhaps I might support the bill.

Besides, it would be necessary, under the bill, that the nomination be held 28 days before election day; under the Canada Elections Act as it now stands, the delay is only 14 days. I believe the suggested system would make elections almost impossible.

Then, too, it would be difficult to get the results on the election day and I believe this practice could lead to certain abuses and allow certain people to vote who are not entitled to do so. Even under the system we now have, fraudulent practices often creep in at election time.

Personally, I believe that we should favour the advance polling system within the ridings themselves, for the benefit of travellers who have to be away from their homes on voting day. I believe that in this way we could give practically all the electors the right to vote in their own constituency, provided they have proper identification, even if their name were not on the voters' list. But, I think it would be a little exaggerated to give the right to vote in another province thus allowing a person from Manitoba to vote here in Ottawa, or in Saskatchewan and so on. When electors show that they appreciate the privilege of voting by turning out in a proportion of 90 per cent, for instance, perhaps we might then endeavour to find a system to facilitate the exercise of the right to vote.

(Text):

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I think most hon. members realize full well that we are dealing with a most important subject. I feel that all hon. members have the idea that one thing of which we in Canada can be proud is our electoral system. I believe this idea receives the support of most hon. members.

For my part as a member of this house I know that whether I won or lost an election I have always been extremely happy about the way in which the electoral officers have run affairs in my district. Hence, not unlike most hon. members, anything that we do with regard to electoral laws, I look upon as being an extremely important matter. Consequently the first thing I ask myself in relation to a bill of this nature is this: How practical is it in an administrative sense? Actually I think that is one thing that is basically in the minds of all of us this afternoon: Can a law of this type, if it is passed by this House of Commons, be administered in a practical way?

Frankly, I may say that is the question that I have been asking myself ever since I realized that I would have the opportunity of speaking on this subject. I appreciate the fact that most of the clauses of this bill have received a great deal of study. I congratulate hon. members opposite on the preparation they have put into this bill. From the very nature of the draftsmanship of the bill it is obvious that it has received a great deal of consideration and study. At the same time, even after reading it I again return to the fact that I question the possibility of administering it. I know that we want, in a democracy like Canada, to make it possible for as many people to vote as possible, and I will have something later to say about the remarks, with which I fully agree, made by the hon. member for Halifax (Mr. McCleave) about the fact that voting does involve certain sacrifices.

Against that consideration I think we should in this modern day and age of communications realize that by and large it is desirable to have as many people as possible voting. Like most hon. members of this house, Mr. Speaker, I only have my own particular constituency to go by when

discussing a bill of this nature. I know that the population of my own area, Brome-Missisquoi, is a little over 40,000, and there are approximately 22,000 on the electoral list. I have always said to myself that it seems a relatively small number of people on a list considering the total population, in view of the fact that I know full well that the enumerators in my particular area, undoubtedly, like most areas, do a very thorough job. In my area the generation of young people is considerable; in other words, I have an area where families are very large. Even so I suspect that the list of voters could be a little larger under certain conditions. Whether or not certain people decide not to go to the trouble of voting, or even decide not to let their names get onto an electoral list because they are going to travel on election day, is a question I cannot answer. I would like to ask members opposite if they have any statistics for this particular dilemma in which I find myself, because it is a question I cannot decide on.

I know, that in my own area many people phoned our organizers, as they must have phoned the organizers of members opposite, and asked them how they might vote in an advance poll because on election day they would be travelling. Although in the last election many, many provisions were made for voting at advance polls, I personally was surprised—and whether or not it was because the law is basically complicated I do not know—at the number of people who actually availed themselves of the privilege of voting at an advance poll. No doubt a person has to be most sincere in his desire to want to exercise his democratic franchise, and go to the trouble of asking questions and usually travelling a little further than he would normally do, on advance poll day. Many people kept coming up to me before election day and asked these questions, and I still feel that there is no doubt a bill of this nature could, as the hon. member for Halifax said, get more people on the list voting on election day.

I was more than interested in the remarks which he made about the double constituencies in the province of Nova Scotia and Prince Edward Island, and I certainly hesitate to feel that a bill of this nature should prejudice the ridings which he mentioned. Undoubtedly no such thing was in the minds of members opposite. I am not suggesting that for a moment, but I would like to reiterate the problem which the hon. member brought up in relation to the double constituencies. I point this out only to make sure that this very knotty problem was in the minds of members opposite when they took the trouble to draft this particular piece of legislation.

In reading over this bill I am sure I have asked myself, generally speaking, some questions that most hon. members have asked themselves. For example, should we make it too easy for a citizen to vote? Should we not, in the truest sense of the word, make some sort of sacrifice on voting day? The thought came to my mind that many people would simply say, "Well, we can take a holiday; we can go and travel in any part of the country and still have our right to vote." Frankly, I do not think this bill intends to permit that sort of thing, and for that reason the legislation which is being contemplated at the present moment should actually consider a means test. In other words, the advance poll rules and regulations should specify those people who are going to be allowed to use the privileges of this type of vote. Thus I think it is very important that this particular legislation which we are considering contemplates the fact that only certain people in certain forms of activity can avail themselves of the particular privileges which are contemplated in this legislation. I think it is most important that this be considered, and once more I reiterate the fact that I do not think this legislation should, or even does, visualize the possibility of Mr. X or Mr. Y going on a long pleasure trip on election day and exercising his vote in that way.

Mr. Speaker, the points which I have brought up do indicate in no small way that there might be, as I said at the opening of my remarks, certain administrative difficulties in administering an act of this sort. As I said, most hon. members are well aware of the efficiency of the marvellous electoral system in this country, and I have the feeling that this is one thing which might certainly have been advanced by the chief electoral officer had it seemed practicable.

The hon. member for Halifax mentioned what he called the general neighbouring province rule in this bill, and I not know whether or not it is a little discriminatory. I do not see why, for instance, we cannot visualize the possibility of a travelling salesman from Nova Scotia finding himself in British Columbia on election day. No doubt if he is really travelling on business as a travelling salesman and just has to be in British Columbia, as a voting resident of the province of Nova Scotia I personally see no reason why he should be excluded from voting under this particular type of legislation. It seems to me that he is one of those cases which this legislation should help, and that is why I ask whether or not the general

neighbouring province rule which was enunciated by members opposite should be considered.

These certainly are considerations which I felt were pertinent and which I felt should be brought up at the present time as we consider most important measures in relation to an electoral system which I for one, in conjunction with our parliamentary system of government, feel is perhaps second to none in the western world.

Mr. M. D. Morton (Davenport): Mr. Speaker, the bill that is before us this afternoon attempts to deal with the problem that arises from the increasing mobility of our people in our type of civilization. Many of the occupations and activities of our people take place outside their constituencies and the places in which they reside most of the year. This is an extension of the principle which has been adopted to permit members of the armed forces to vote while they are away from home. It would permit groups such as construction workers and others who cannot get back home in order to vote in their home constituencies; it would benefit those who cannot benefit at present under the advance poll regulations, in that they will not be in their constituency at the time the advance poll is open, to vote on polling day in the location where they may be, although the bill does limit this opportunity to voting in their own provinces or in adjacent provinces; for example, someone living in Ontario could vote if he were in Quebec or Manitoba.

I think this expresses the good intention of making it possible for the maximum number of qualified voters to vote wherever they may be in order to enable them to exercise that franchise which is so important and sacred to them. I think it is a laudable object but I may, as an aside, say it would be more encouraging or more invigorating to our democracy if we could encourage those who are in their constituencies and who do not take the trouble to exercise the franchise, to do so. However, the fact that we have these people in our constituencies who do not wish to exercise their franchise is in no way an argument against enlarging the opportunities for those who do wish to vote.

I understand that the adoption of this principle would require the adoption of a permanent voters' list, because under the present system where enumerators go out at a time specified in the act after the writs of election have been issued, only those who are contacted or put on the list by the enumerators, can vote at a particular election. Hence it would be more than probable that those who would be out of the riding on construction work, or engaged in commerce, would be apt to be missed under our present system. A voters' list of the permanent type would overcome the difficulty in our present system where so many people are left off the list and have to be put on afterwards. It seems that under the present system those who are roomers or who live in apartments are the ones who are most often left off, and it has even been found that landlords who have roomers do not encourage those living in their houses to be put on the voters list and have sometimes purposely not given their names to the enumerators, for reasons which are connected with taxation. The provision of a permanent list, as would be required by a bill such as this, would overcome these difficulties.

However, there would be some objections to a permanent list, and one of these would be the cost of maintaining such a list. It would have to be revised periodically and even then, although it might be completed close to a date, say in February, if an election were to come in January there would have to be an opportunity for making additions. I think also that difficulties would arise in areas such as Toronto where there is a constant change in the population. These changes would result in people being on the permanent list yet having moved to another place, and one would have to be careful to ensure that abuses would not arise because of the fact that people might be on two or three lists.

However, these are details which would have to be taken care of if this system were adopted, and I think that any reasonable method could be adopted if we were sincere in trying to put it into effect.

May I call it six o'clock?

Mr. Speaker: The hour for the consideration of private and public bills having expired, the house will revert to the consideration of the business which was interrupted at five o'clock.

ROYAL CANADIAN MOUNTED POLICE

LEGISLATION RESPECTING ORGANIZATION AND DISCIPLINE

The house resumed consideration in committee of Bill No. C-34, to amend the Royal Canadian Mounted Police Act—Mr. Fulton—Mr. Rea in the chair.

It being six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

On clause 41—*Notice of appeal.*

The Deputy Chairman: Order. When the committee rose we were discussing an

amendment to clause 41. Is the committee ready for the question on the amendment?

Mr. Crestohl: Mr. Chairman, when the committee rose at five o'clock I had asked the minister a question concerning allowing sufficient time to deal with the procedure of appeal after the transcription had been made. I see that clause 41 makes ample provision for that, but I should like to draw to the minister's attention the fact that while the clause is very anxious for the accused to be diligent in making his appeal there is nothing in the clause which speaks of the diligence with which the appeal should be processed. Since, in answer to a question of the hon. member for Megantic, the minister stated that the prisoner is kept in custody if he makes a statement about his desire to go to appeal, I think it would be appropriate for provision to be made that such an appeal should be proceeded with diligently. There is nothing in the legislation which provides for that. It is quite possible that after an accused has given his notice of appeal, the appeal may just drag, things may intervene and the prisoner will be kept in custody all the time. In our language before the courts we say "kept in custody without bail". I do not think that is the intention of the minister or of the legislation. I therefore want to move the following amendment to clause 41, which is seconded by the hon. member for Megantic:

That clause 41, of Bill C-34 be further amended by adding at the end of the said clause the following words:

"and such appeal shall be proceeded with diligently within eight days from the service of such notice of appeal."

The Deputy Chairman: Order. We have an amendment that will have to be disposed of first.

Mr. Crestohl: I beg your pardon. I will reserve mine until after the first amendment is disposed of.

The Deputy Chairman: Is the committee ready for the first amendment?

Amendment agreed to.

Mr. Crestohl: Without repeating what I said Mr. Chairman, I want to suggest to the minister the following amendment to clause 41, namely that it be further amended by adding at the end of the said clause the following words:

"and such appeal shall be proceeded with diligently within eight days from the service of such notice of appeal."

The reason I make it eight days is that the notice of appeal has to be given very expeditiously, and in the meantime the prisoner is kept in custody without bail. Therefore, it would only be fair to make some provision to deal with the appeal expeditiously. However, if the minister should find that eight days would not give sufficient time—I am not familiar with the procedure in processing these things in the department—perhaps he would suggest a further delay, but the delay should be fixed within which the appeal should be heard.

Mr. Fulton: Mr. Chairman, I appreciate the intent and the object of the hon. gentleman. I do not like to keep on suggesting that these things must all be left to the discretion of the officers administering the force, though I think such matters generally can be. However, I should be reluctant to accept the eight-day limitation because the appeal has to be forwarded to Ottawa, has to be processed here and then whatever proceedings are to be held must be arranged for at the place where the trial was held. I wonder whether the hon. gentleman would consent to leaving a certain discretion with the commissioner, but making it clear that the appeal must be dealt with quickly. That might be accomplished by changing the proposed amendment to read, "and such appeal should be proceeded with, with all due dispatch"? If that would be acceptable I would be very glad to accept the amendment.

Mr. Crestohl: I am prepared to go along in my thinking with the minister's suggestion and have confidence in the commissioner that such an appeal will be dealt with as speedily as possible.

The Deputy Chairman: With the unanimous consent of the committee, the hon. member for Cartier would like to change his amendment to read as follows:

That clause 41, of Bill C-34 be further amended by adding at the end of the said clause the following words:

"and such appeal shall be proceeded with, with all due dispatch."

Amendment agreed to.

Clause as amended agreed to.

Clause 42 agreed to.

On clause 43—*Board of review.*

Mr. Crestohl: On this clause, I wonder whether the minister finds that the word "and" in the second line is necessary? It seems to me to be a bit superfluous. It says:

There shall be a board of review appointed by the minister and consisting of a deputy commissioner—

And so on. I do not see the purpose of the word "and" there.

Mr. Fulton: I would be quite content if my hon. friend wishes to move to delete the word.

Mr. Crestohl: Yes, I will move that the word "and" in the second line of clause 43 be deleted. The motion is seconded by the hon. member for St. Denis.

Mr. Fulton: I will just write it out if my hon. friends do not mind.

The Deputy Chairman: The hon. member for Cartier moves:

That subclause (1) of clause 43 be amended by deleting the word "and" in line 17 on page 13 of the bill.

Amendment agreed to.

The Deputy Chairman: Shall clause 43 as amended carry?

Mr. Crestohl: We were dealing with clause 43 (1). There is a second subclause which I would like to say a word on. Are we dealing with subclause 2, Mr. Chairman?

The Deputy Chairman: Yes.

Mr. Crestohl: Subclause 2 speaks of appeals by persons convicted of a major service offence. Is there any explanation why this right to have the case dealt with is given only to those convicted of a major service offence and not to those convicted of a minor service offence?

Mr. Fulton: Mr. Chairman—

Mr. Crestohl: If the minister will excuse me, I will complete my question. Does that mean that a person convicted of a minor service offence has no right of appeal?

Mr. Fulton: No, Mr. Chairman. I think this was explained when we were discussing the bill on second reading at which time I pointed out that there are now created two categories of offences, major offences and minor offences. Major offences now are only those offences against the provisions of the act as set out in clause 25. These are serious offences. Minor offences are minor disciplinary offences against the standing orders, rules or regulations of the force and they carry with them a difference as to the maximum penalty that may be imposed. With respect to the major offences, it is provided that they shall all be reviewed by a board of review. With respect to minor offences, it is provided that they are automatically reviewed by the commissioner.

Mr. Roberge: Under clause 43, subclause 2, I see that the board of review shall examine the record and shall make its recommendation to the commissioner. Does that mean that the offender who is appealing from the verdict and sentence will not be heard by the board of review?

Mr. Fulton: There is no right of personal hearing. It is impossible due to distance and a variety of other factors, but the board of review itself reviews all records, the transcript and the whole proceedings.

Clause as amended agreed to.

On clause 44—*Powers of commissioner on appeal.*

Mr. Martin (Essex East): I may be wrong in my interpretation and I would be grateful for any enlightenment the minister can give. Under subclause 2 of the preceding clause it is clear that any appeal that is taken must be before this board of review, and at first glance I thought that clause 44 must mean that any of the powers given to the commissioner in the clause would be pursuant to a recommendation made by the board of review. I am wondering, however, whether that is the case. In the case of the quashing of a conviction, under this clause would the conviction be quashed by the commissioner only in cases where there was such a recommendation?

Mr. Fulton: No, Mr. Chairman. There may be cases in which the commissioner quashes a conviction irrespective of the recommendation of the board.

Mr. Martin (Essex East): That was that I thought. The minister may have a very good explanation but as provision is made for appeal in respect of major offences one would think that this power given to the commissioner was a pretty wide power, and likewise with respect to dismissing an appeal.

Mr. Fulton: May I point out to my hon. friend that he will perhaps observe that the powers of the commissioner do not extend to increasing the sentence or the severity of the sentence or the punishment imposed in any way. The powers of the commissioner relate to quashing a conviction, which is what we might call the exercise of clemency, or dismissing an appeal, which leaves the matter in status quo, or reducing the sentence or the amount ordered to be paid, which again is a reduction, or ordering a new trial, so that all the powers of the commissioner here are in the direction of reducing the severity of the sentence. He has no power to increase the sentence of the court or the recommendation of the board.

Mr. Martin (Essex East): In other words, the powers given the commissioner are all seemingly directed in favour of the accused.

Mr. Fulton: That is correct.

Mr. Martin (Essex East): Except possibly in the case of (b). An appeal may have been lodged by the officer against whom the complaint is registered. His appeal, however,

may be dismissed by the commissioner without any reference to the board.

Mr. Fulton: That would be impossible. If it were a major service offence it would have to go to the board of review but the commissioner, as I have pointed out, also has the power and the responsibility of reviewing all convictions for minor offences and this power is intended to be exercised with respect to that type of offence.

Mr. Crestohl: May I ask the minister, who is certainly an able jurist, whether he can explain what the procedure will be where a prisoner has lodged an appeal and has discovered new evidence which he would like to bring before the court, so to speak. New evidence has turned up which he would like to bring before those sitting in appeal as it might assist him in winning an acquittal. Since no procedure is provided whereby evidence will be heard or argument can be made, but rather the procedure is limited only to a review of the record by the board, how can an accused obtain relief in the event of something in his favour turning up which was not known at the hearing?

Mr. Fulton: In that case there would be a submission made by the accused or convicted member in the course of his appeal and if new evidence were disclosed the normal procedure would be to order a new trial. May I refer to what I said a moment ago in reply to the hon. member for Essex East.

Mr. Martin (Essex East): About minor offences.

Mr. Fulton: Yes. I think I may have created the wrong impression. The power of the commissioner under clause 44 would extend to dismissing an appeal against a conviction for a major offence but the commissioner could not bypass the board. He could not order the appeal dismissed before the board of review had examined it.

Mr. Martin (Essex East): But notwithstanding—

Mr. Fulton: Notwithstanding the recommendation of the board of review it is true that he could still dismiss the appeal.

Mr. Martin (Essex East): And the minister feels that is desirable power to give the commissioner? I realize that the officers here are not exactly in the same position that they would be in in civilian life. This is a police force and it may be desirable that the commissioner be given this power but, while I do not press the point, it does seem to me that where an appeal is given all of the advantages of the institution of an appeal ought to be afforded. It would appear that the accused may appeal to the board of review but notwithstanding the recommendation of the board the commissioner for some reason may dismiss the appeal. It is true that in (a) and (c) and (d), as the minister pointed out a moment ago, all the powers given to the commissioner there are directed in favour of the officer against whom the complaint is registered but in (b) that is not necessarily the case. Perhaps the minister might strengthen what he has already said by indicating why it is thought to be desirable that this particular power should be left in the hands of the commissioner.

Mr. Fulton: To do that I think I have to go back to what I said on the last occasion, that these provisions all represent an enlargement of the rights of an accused and convicted member. Previously the only review made of his case was in the case where he was sentenced to a fine or imprisonment. In that event there was a review. Now we have provided that he has the right of appeal in every case, and in the case of a conviction for a major offence it is referred to a board of review. There is here, therefore, nothing new in retaining in the commissioner's hands the power to dismiss an appeal, but he would be extremely unlikely to dismiss an appeal in the face of a direct recommendation by a board of review.

I do point out, however, dealing with the question directly, that there may be cases of breach of discipline of such a nature that it is conceivable that, notwithstanding the recommendation of the board of review, the commissioner might feel that he still has to dismiss the appeal, or the sentence may be a reduction in rank and the commissioner might feel that in the interests of discipline of the force as a whole he must insist upon the sentence being carried out.

Clause agreed to.

On clause 45—*Fine fund.*

Mr. Roberge: Clause 45 deals with the disposition of pecuniary penalties imposed under subsections 1 and 2 of section 36, which deals with punishment. The clause goes on to say that these penalties shall form a fund to be managed by the commissioner, with the approval of the minister, to be used for the payment of rewards for good conduct or meritorious service.

Clause 23 of this bill provides that all fines and the proceeds of all forfeitures and seizures shall be paid to the minister, and by subclause 3 the money is paid to the benefit trust fund. Am I right in assuming

that the moneys, the penalties, turned over to the minister under clause 45 are going to go into that same benefit trust fund?

Mr. Fulton: No, Mr. Chairman, this fund is quite separate and apart from the benefit trust fund. My hon. friend will observe, if he looks at clause 23, that it relates to fines, forfeitures and so on which are part of the sentence of an ordinary court. Those go into the benefit trust fund. Clause 45 refers to pecuniary penalties imposed under subsections 1 and 2 of section 36 which relates to fines imposed as a result of convictions against members of the service for service offences. They are two quite different types of funds and the moneys go into two separate funds. The fine fund referred to in clause 45 is much smaller than the benefit trust fund.

Mr. Roberge: Mr. Chairman, it might be of benefit to read the entire clause 23, if I may, which reads as follows:

> Notwithstanding any other act, all fines and the proceeds of all forfeitures and seizures and all portions of any fine and of any forfeiture or seizure that may be awarded or adjudged to any member of the force in connection with the performance of his duties—

I would think that automatically relates to clause 45 or section 36; there is no other place.

Mr. Fulton: No, because I think my hon. friend has missed out the significant words, "that may be awarded or adjudged to any member of the force". In other words, a fine or the proceeds of a forfeiture or seizure may be awarded or adjudged to a member of the force in connection with the performance of his duties in the course of successfully pursuing and prosecuting a case. There are still some circumstances under which that might happen, and then the fine or forfeiture is paid into the benefit trust fund.

When we come to section 36 which is read in conjunction with clause 45 it is clear that those are fines or penalties imposed on a member of the force in pursuance of a conviction for a service offence.

Clause agreed to.

On clause 46—*Deserters.*

Mr. Crestohl: This bill speaks of offenders throughout as "every member" or "the member". I take it from this that the procedure set up here for punishment is restricted to members of the force. Now, we come to clause 46 in which the language is changed and the bill now speaks of "every person", for example, who has deserted from the force. I take it that the jurisdiction over the members of the force is set out in this bill, and I take it too that beyond the authority given in this bill the commissioner and the other officials have not criminal jurisdiction over persons other than those who are members of the force.

In the next clauses, beginning with clause 46, we are speaking only of offences committed by persons who are not members of the force. Perhaps the minister could explain where the commissioner gets jurisdiction in criminal matters over people who are not members of the force.

Mr. Fulton: The reason for the use of the word "person" in this and succeeding clauses rather than the word "member" results from the fact that these are persons who are not members of the force. My hon. friend should know that if a member deserts he is automatically struck off strength, and desertion is a major offence, defined under clause 25 of the bill, and we will still wish to deal with the deserter from the force. However, he is no longer a member of the force and therefore he has to be described as a person who has deserted.

Clause agreed to.

Clause 47 agreed to.

On clause 48—*Bribes, etc.*

Mr. Fulton: I have an amendment to offer to clause 48. There is an error in the drafting. If the members of the committee will read carefully they will, I am sure, appreciate that in subclause 2, line 22, the word "received" should be "given". Here we are dealing with the person who is giving a bribe to a member of the force and the offence intended by this clause is the giving or offering of the bribe to a member. I would, therefore, ask one of my colleagues if they would be kind enough to move:

> That subclause 2 of clause 48 be amended by striking out the word "received" in line 22 on page 14 and substituting the word "given" therefor.

Mr. Hamilton (Notre Dame de Grace): I so move.

Mr. Chevrier: Where are the copies of this bill, Mr. Chairman?

The Deputy Chairman: There are some coming up from downstairs.

Mr. Crestohl: This clause makes a little clearer the condition which I suggested to the minister might exist because here we are describing people who are not members of the force. This measure proposes to give criminal jurisdiction over people who are not members of the force. Clause 48 to me is very clear on that point. I wonder whether the minister can say whether the commissioner or the other officers would have the authority to impose penalties which are

punishable on summary conviction or would these people be prosecuted by virtue of the provisions of the Criminal Code? If so, under what section of the Criminal Code would they be prosecuted and what would be the penalty imposed? I think the minister should clear up this conflict, as I see it, of jurisdiction in criminal matters as between the courts of the land and the commissioner and officers of the Royal Canadian Mounted Police.

Mr. Fulton: There is no conflict here at all. No jurisdiction is given to the commissioner or the minister or any other person especially under this clause. Clause 48 specifically provides that persons who are guilty of the offences enumerated in subclauses (a), (b) and (c) are guilty of an offence punishable on summary conviction. This refers, of course, to the ordinary summary conviction proceedings in the criminal courts of Canada. As I am sure my hon. friend is aware, if he stops to think about the matter, there is in the Criminal Code a section which provides that in the absence of the provision of any specific penalty anyone convicted of an offence against a statute on summary conviction is liable to a fine of, I think it is, $500. However, in this case, clause 51 provides a specific penalty. It provides as follows:

> 51. Every person who is convicted of an offence under this part is liable to a fine of not more than five hundred dollars or to imprisonment for six months or to both.

As I recall it, that is the same provision as is found in the summary conviction part of the Criminal Code.

Mr. Martin (Essex East): I think the minister is quite correct in that matter, if I may say so with all due respect to the hon. member for Cartier. This is legislation under the guise of criminal law passed by the legislative body in our country that has the power to pass legislation dealing with what is a criminal offence. But the question that I was suggesting to the hon. member for Cartier in private is this: What do we mean by "every person", for instance, in clause 46 where we find the words "every person who has deserted from the force"? The minister said that the kind of person that was envisaged there was not necessarily an officer or a member of the force.

Mr. Fulton: No. I said he would no longer be a member of the force.

Mr. Martin (Essex East): After seven days.

Mr. Fulton: After seven days. The hon. member for Cartier asked the question: why do you not use the terminology which you used previously, namely "a member of the force". I explained that a person who has deserted from the force is after seven days no longer a member of the force and we therefore have used the word "person".

Mr. Martin (Essex East): But in clause 48 we find the following:

> 48(1) Every person who
> (a) gives or offers or promises to give to any member of the force any bribe, pecuniary or otherwise—

That person may well be a member of the force.

Mr. Fulton: But "person" in this case would include "member of the force", although it is not restricted to a member of the force. This is ordinary Criminal Code terminology.

Mr. Crestohl: The minister will appreciate the fact that as to a deserter who has been absent for two days and who offers a bribe to someone to remedy his situation, he has not yet been a deserter for seven days and therefore is still properly a member of the force.

Mr. Fulton: But he would also be included in the word "person".

Amendment (Mr. Hamilton, Notre Dame de Grace) agreed to.

Clause as amended agreed to.

Clauses 49 to 51 inclusive agreed to.

On clause 52—*Limit on prosecution.*

Mr. Martin (Essex East): Clause 52 reads as follows:

> No proceedings in respect of an offence under this part shall be instituted more than two years after the time when the subject matter of the proceedings arose.

Was that provision in the other bill or was it already the law? Was not the time different?

Mr. Fulton: No. The time for instituting proceedings was unlimited.

Clause agreed to.

On clause 53—*Member of force deemed a servant of the crown.*

Mr. Peters: What is the situation, for instance, in the case of a member of the force driving an automobile and where an accident arises out of that fact?

Mr. Fulton: As I say, section 60 of the Exchequer Court Act determines the rights of members of the public against servants of the crown in such circumstances.

This clause merely makes it clear that members of the force are in the same position. They have no preferred position but they are in no worse position than are other servants of the crown in respect of determining liability

in any action or other proceedings against Her Majesty arising out of the act of such crown servants.

Mr. Peters: What I am wondering is this. Is there any protection for them in view of their duty? I can remember the case that concerned the R.C.A.F. where an ambulance driver in the course of his duties driving the ambulance with a patient had an accident and the crown refused to have anything to do with the matter. It cost his father $50 thousand or $60 thousand before all the litigation was ended because the crown did not assume any responsibility, even though he was acting in performance of his duties at the time.

Mr. Fulton: I am sure that was some time ago. I am not aware of all the details but I am sure my hon. friend will be aware of the fact that the rights of ordinary citizens suing the crown for the torts of its servants were considerably enlarged by a number of amendments made to the Exchequer Court Act a few years ago. There is protection again to the member of the force or crown servants in that the provisions of sections 60 and 18 of the Exchequer Court Act, I believe, say that the servant acting in the course of his duties shall not be held to be personally liable but that the crown will pay damages. We have, of course, an overriding right in the department—we have at least with respect to the Royal Canadian Mounted Police—to make a specific finding that the member should contribute to or reimburse the crown in whole or in part for the cost to which the crown has been put if in the opinion of the deputy attorney general of Canada he was himself guilty of negligence. That takes a specific finding by the deputy attorney general.

Mr. Martin (Essex East): Or was acting not in the course of duty.

Mr. Chevrier: Does this clause change the common law?

Mr. Fulton: Yes.

Mr. Martin (Essex East): No.

Mr. Fulton: At common law the crown could not be sued.

Mr. Martin (Essex East): That is right.

Mr. Fulton: We have already changed the common law by statute to provide that the crown can be sued and that the crown is liable for the torts of its servants. This clause does not change that situation and carries into effect, so far as members of the force are concerned, the changes already made by statute with respect to servants of the crown.

[Mr. Fulton.]

Mr. Martin (Essex East): I understand the importance of this clause, but supposing in an action against Her Majesty it was decided by the court that the act complained of, let us say a tortious act, was not committed in the course of duty. This clause as presently drawn would still not affect the position of a member of the force who "shall be deemed to have been at such time a servant of the crown".

Mr. Fulton: I believe my hon. friend is now asking me to comment on matters about which I have not my advisers or the books before me; but my understanding is that the crown can always defend an action on the ground that its servant was not acting in the course of his employment. I think that defence is open to the crown as well as to any civilian, and it does not change that position.

Mr. Martin (Essex East): I think my hon. friend is right on that, that the crown can take such a course. But notwithstanding that, the officer in question shall continue to be a servant of the crown as this clause is presently drawn?

Mr. Fulton: Yes.

Mr. Martin (Essex East): Then I ask is that a desirable thing?

Mr. Fulton: Yes, I think so. The fact that he was not acting in the course of his employment does not change the fact that he was a servant of the crown. There are cases at law where, for example, A is the servant of B and A acts in a manner in which he is not called upon to act in the nature of his employment, and that does not change the fact that he is still the servant of B. Perhaps I should also point out that the wording here is exactly the same as the wording of an amendment to the act passed in 1957.

Mr. Crestohl: Mr. Chairman, can the minister explain this situation: An officer is constantly under orders, whether he is at a particular moment performing special duties or whether he is on his way home, for example, in his car or going elsewhere not in the course of his service. He is at that time also under command, under orders. Would he then be considered to be in the performance of his duties if he commits a tort during that period?

Mr. Fulton: No, Mr. Chairman. I think the law is quite clear. As I said a moment ago, if A is the servant of B, A may be called upon to do certain things in the course of his employment. If he does things which he is not called upon to do in the course

of his employment but which lie quite outside the scope of his employment, his employer is not liable. But the fact that he acts in a manner in which he is not called upon to act by his employment does not alter the other fact that he is the servant of B. The same with an officer of the force. He is subject to discipline and liable to orders at all times. But if, as is the ordinary case, he is called upon to keep office hours and he keeps such office hours from nine to five, and then in the course of an ordinary day, after five o'clock leaves the office to drive home—he may of course be called on the radio at any time and ordered to go somewhere else—but if in the course of driving home he has an accident involving another vehicle or a civilian pedestrian, he is still an officer of the force; but clearly the act which he committed of driving into somebody else was not committed in the course of his duties as a servant of the crown.

Mr. Chevrier: Does this clause apply only in regard to motor accidents?

Mr. Fulton: Oh no; to all actions carried out by members of the force.

Mr. Chevrier: To all acts of tort, or does it apply to contracts as well?

Mr. Fulton: I would think it would apply to actions on contract as well.

Mr. Martin (Essex East): To any actions.

Mr. Fulton: To any action, yes. The clause says:

> For the purpose of determining liability in any action or other proceeding by or against Her Majesty, a person who was at any time a member of the force shall be deemed to have been at such time a servant of the crown.

Mr. Crestohl: I would like to explore the minister's illustration a little further. If a person leaves his duties in his office, for example, as the minister explains, and then drives home and in the course of driving home has an accident, the minister says that under those circumstances there would be no responsibility against him personally. That officer is under command—

Mr. Fulton: Mr. Chairman, with respect, I do not think I said that. I think as far as I went was that I said the action committed or engaged in by the person at that time would clearly not be in the course of his duties as a servant of the crown. I did not go on to discuss the question of liability.

Mr. Crestohl: That is correct; I appreciate the correction. But while he is not in the performance of his duty and commits another offence, he is nevertheless under his contract and under command still answerable and is liable to be punished by his seniors. Now, there is a conflict. Either you carry full responsibility for his actions or not. You cannot just carry partial responsibility in one case and full responsibility in another.

Mr. Fulton: Mr. Chairman, if the officer committed a service offence, such as breach of discipline or any other offence against the regulations or act while actually not on duty during office hours, he would of course be liable to be punished; but I do not see that that alters the situation we are discussing in the context of clause 53. Mr. Chairman, I would just like to say this in case I have been guilty of unintentionally misleading the committee. I was asked whether this clause changes the common law. I believe not this clause but possibly clause 43 (a), to which I have referred already which was enacted in 1957, did change it because, as I understand it, at common law a member of the R.C.M. Police is not a servant of the crown. The new section added in 1957 makes it clear that he shall be deemed to be so for the purposes set out in the section.

Mr. Chevrier: Is the minister able to say what effect, if any, it has on the civil code of the province of Quebec?

Mr. Fulton: I do not think it would have any effect on the civil code in the province of Quebec because this provision is only put in here for the purpose of making applicable thereto sections 60 and 18 of the Exchequer Court Act, which is the only act by virtue of which a civilian can sue the crown.

Mr. Crestohl: I do not seem to be able to reconcile the fact that he is a servant of the crown and under its command during the entire term of his duty, yet he is not responsible for acts which he commits during the hours when he is not actually on duty. He is subject to command 24 hours a day right through the entire period and he must follow orders during that entire period. When a person is subject to the orders of his employer, the employer is responsible for any tort which he commits.

Mr. Fulton: I am afraid my hon. friend is mistaken in the law there. Surely the situation is capable of being stated on a common sense basis. Certainly a member of the force, officer, n.c.o. or constable, is subject to call 24 hours a day. But if the orders he has received make it clear that his ordinary duties extend from nine in the morning until five in the afternoon, then that does not mean to say that he is on duty from five in the afternoon until nine the next morning unless he is specifically ordered to be on duty. He may be called out on duty, but in the absence of such a call any conduct, any action which he carries on during that period after five o'clock in the

afternoon and before nine o'clock in the following morning are clearly and distinctly not actions in the course of his employment.

Mr. Peters: Does the minister not consider that some clarification might well be made of this clause? I am particularly concerned about some of the things which have happened involving members of the armed forces under similar provisions, particularly where there have been automobile accidents and where the question of whether or not the man was on duty has arisen. It has been argued—and successfully, in some cases, where there may have been improper conduct on the part of the man or officer concerned—that he was no longer protected, and yet he was still doing the duties he was supposed to be doing. As we all know, the act was designed originally to cover conditions which, in many cases, no longer exist. If an officer on patrol were to have a serious accident even though a court were to find him partly responsible, I think the fact that he was on duty and that he was doing the job because of his orders should place some responsibility on the part of the crown. Officers involved in a situation like this should not be thrown to the wolves as has sometimes been the case, and be obliged to fight their own cases without assistance.

Mr. Fulton: I have endeavoured to explain already—and I am sorry if I have not made it clear—that if a member of the force is involved in an accident in he course of carrying out his duties the crown stands behind him and there is no question of calling upon a member of the force to pay damages as an individual. The damages must be recovered in an action against the crown; the other party to the accident will sue the crown and by virtue of the provision of the Exchequer Court Act may recover damages against the crown. The crown pays the damages. The only situation in which there would be any penalty imposed upon the member of the force would be not by way of telling him that he must pay the damages but by virtue only of an express finding by the deputy attorney general that the member of the force was personally negligent and that his negligence contributed to the accident to such a degree that the crown should look to him for the recovery of the damages which it has paid to the other party. Such situations are few and far between. I should say also that the terms, to the best of my recollection, of the order in council or regulation under which such findings of the deputy attorney general are made, require the finding that the negligence of the member of the force was not of a minor character. It is only when the negligence is of a major nature that there would be any attempt made to recover from the member the damages for which the crown has been liable, and then only a proportion of those damages.

Mr. Peters: We agree with the explanation that the minister has given, but what I am suggesting is that the explanation is not necessarily going to be the law.

Mr. Fulton: I tell the hon. member that it is the law at the present time.

Mr. Peters: It does not say that. I do not think legal counsel could find that in this particular clause. What I am suggesting is that this protection should be written into this measure and that it be much better defined so that we do not have to refer to a lot of other precedents, regulations or orders in council, whatever they happen to be.

Mr. Fulton: The law of the land is that the master is liable for the torts of his servants. The crown is now in the same position as an ordinary civilian in this respect, and the master cannot recover from the servant in respect of damages caused by the servant in the course of his employment unless the servant is negligent, and the policy of the government is that even in such a case we do not attempt to recover from the servant unless the negligence amounts to gross negligence, and then only a part of the damages for which the crown has been held liable.

Mr. Crestohl: There is a basic difference in the relationship between the ordinary employer and his employee and the relationship between the government and an officer of the R.C.M.P. I think it is wrong to assume that the relationship is the same.

Mr. Fulton: This section which we are now discussing makes the situation the same; it makes the relationship between the ordinary master and his servant and the relationship between the crown and a member of the force exactly the same in so far as liability for torts is concerned.

Mr. Crestohl: That is just what we are discussing. We do not think this is a fair clause. The relationship between master and servant is different because ordinarily an employee would have working hours from, say, eight to five—

Mr. Fulton: So has the member of the force.

Mr. Crestohl: But after working hours an ordinary employee has no master to give him orders. He is not subject to be given any commands. He cannot suddenly be called out and told to go on a mission. On the other

hand a member of the force can be ordered to do something at any time of the day or night, and he must obey that command.

Mr. Fulton: Precisely.

Mr. Crestohl: The private employee does not have to obey any such command and he is not subject to discipline if he does not obey a command given to him after hours. That is precisely the difference as I see it, and that is what we are trying to discuss. An officer of the force is subject to be ordered to go out and do things 24 hours a day and therefore the relationship between master and servant is altogether different from what it is in private industry.

Mr. Fulton: The crown is liable for the torts of the servant if the servant is carrying out the orders of the crown but, as I have explained, in the ordinary course of events the members of the force are not on duty between—I do not know precisely what the hours are, but I use office hours as an example—five in the afternoon and nine in the morning. They are not on duty unless specifically called. If a man is called outside those hours the crown is liable for his torts, but if he is not on duty and pursuing his own private pleasures or pursuits, then his relationship with the ordinary civilian is exactly the same as that of any other member of society, and so it should be. I can see no reason on earth why the crown should be held liable or be placed in a position where it is liable for the tortious acts of a member of the force committed without any relationship to his employment whatever.

Suppose a member were on his annual leave. He is still subject, it is true, to be called back on duty and if he received a telegram that he must report back to duty at once is my hon. friend suggesting—if his argument were carried to its logical conclusion he would be suggesting—that if that member of the force while on annual leave, holidaying on a lake, drives a motor boat negligently and recklessly and injures somebody, that the crown should be held liable? Of course not. The situation is exactly the same if the member is off duty between the hours of five in the afternoon and nine in the morning.

Mr. Crestohl: I ask one question. Is the officer subject to orders from his employer during the 24 hours of the day?

Mr. Fulton: Not unless he received a specific call. If the orders and regulations lay it down that in his detachment the office hours are from nine to five and that he is off duty in other hours, then, unless he receives a specific call or order, he is off duty.

Mr. Crestohl: But if he gets a call he is under obligation to obey it?

Mr. Fulton: Yes. And if he gets a call and in the course of discharging that call he is involved in an accident the crown is liable because he is on duty.

Mr. Peters: I would like to say, Mr. Chairman, in speaking of these matters that while in the legal profession it is reasonable, I presume, to use the term "master and servant" I particularly and I think most Canadian people do not appreciate that particular term as being what we have in mind. I do not think it is something that we in Canada have in mind. Some hon. members may use it. The 65 members who are members of the legal profession may agree with it but I would suggest that the Canadian people and the House of Commons should not be hearing the employer and employee relationship referred to as master and servant.

Mr. Fulton: My hon. friend must want to rewrite every law textbook that has ever been written because the law on that subject has been called from time immemorial the law of master and servant.

Mr. Peters: We would certainly like to see it changed in this particular clause.

Clause agreed to.

Clause 54 agreed to.

The Deputy Chairman: We shall go back to clause 11.

On clause 11—*Civilian staff.*

Mr. Pickersgill: On clause 11, Mr. Chairman, I raised a question with the minister the other day about the status of persons who are employed in the Royal Canadian Mounted Police not in the category of casual employees but on a regular basis, but who are not now civil servants. The future persons so employed are to be civil servants. But the point I raised was what was to be the status of those persons now employed and how were they to be integrated into the civil service, and were they in future to have all the rights of civil servants? I suppose the minister has an answer to that.

Mr. Fulton: I am informed that this group who are not members of the force at the present time but are known as employed civilians and are not now civil servants will be given an option to elect whether they will be civilian employees or civil servants. Then, of course, if they elect to become civil servants they will have all the advantages of the Civil Service Act. With regard to their present pension rights, they will be

taken care of under the related bill dealing with the superannuation of members of the force.

Mr. Pickersgill: What about the status of their employment? Of course, the persons who are employed on a casual basis at prevailing rates are regulated by the general law, but these persons are not. These persons, I take it, are employed at a salary under some kind of statutory authority.

Mr. Fulton: They can continue to be employed on that basis or they may elect to become civil servants.

Mr. Pickersgill: My point is, what is the basis? Where in the act is that basis defined?

Mr. Fulton: In the present act it is stated that:

> The governor in council may authorize the commissioner to employ in emergencies such persons as may be necessary to perform the duties of scouts, artisans, cooks, stenographers, tailors, engineers, agents, interpreters, guides or for any other purpose or for general duty for such periods as may be required and at such rates of pay as are authorized by the minister.

Mr. Pickersgill: That is the present law but that law is being repealed, as I understand it.

Mr. Fulton: Yes.

Mr. Pickersgill: If those people are to have a status they must have a status under some law that has not been repealed.

Mr. Fulton: Will they not be the ones who are covered in clause 11 (1), which reads:

> Subject to subsection (2), such civilian officials, clerks and employees as are necessary for carrying out the functions and duties of the force shall be appointed or employed under the provisions of the Civil Service Act.

Those persons who are employed at the present time as employed civilians are employed under the provisions of the clause I just read from the present bill. I will not say they have not a status but it will be noted that they are employed for such purposes as may be required and at such rates of pay as are authorized by the minister, so they have in a sense no protected status.

Mr. Pickersgill: I do not think the minister appreciates my point. I know that until this bill passes and he proclaims it these people can continue to be employed under the old status, but when it is proclaimed and that status disappears there will be no authority that I have been able to find anywhere that provides for the continued employment of these people in any way except the civil service.

Mr. Fulton: I do not think my hon. friend has read clause 11 (2), because this clause provides that:

> The commissioner may employ such number of temporary civilian employees at such remuneration and upon such other terms and conditions as are prescribed by the treasury board, and may at any time dismiss or discharge any such employee.

But when we have the new act in force all the present employed civilians will become either civil servants under 11 (1) or continue as civilian employees under 11 (2).

Mr. Pickersgill: Temporary employees; in other words, they are all temporary employees at the present time.

Mr. Fulton: Yes, all those who are not civil servants and members of the force are temporary employees.

Mr. Pickersgill: The minister said that those persons who are employed regularly the year round would be given the option of remaining under the status they have now or of becoming civil servants. Will they be expected, before becoming civil servants, to pass any special test; or, in view of their long service, will they simply be integrated into the civil service?

Mr. Fulton: They would, of course, have to pass the ordinary civil service requirements before they would be entitled to be integrated into the civil service under 11 (1); and if they could not pass those requirements, then they would continue to be employed as civilian employees under 11 (2).

Mr. Pickersgill: In other words, although those persons may be performing the service satisfactorily and they may have reached relatively an advanced age where they would not have much aptitude for examinations, they will never be anything except temporary civil servants, unless they can pass the tests that a new entry to the service would have to pass.

Mr. Fulton: No, they will not be some nondescript, grey shadowy group. If my hon. friend will look at clause 7 (2) he will see that those persons contemplated under 11 (2) will fit into the situation there described, namely:

> The ranks and grades of members other than officers, and the maximum numbers of persons to be appointed to each rank and grade shall be as prescribed by the treasury board.

Mr. Pickersgill: Yes, but they will still be temporary.

Mr. Fulton: They will be or may be what is described as civilian members of the force.

Mr. Pickersgill: But they cannot be brought under the superannuation act. It would appear so. Can they?

Mr. Fulton: I understand that is provided for in the other bill, yes, and we shall look for that when we go through it.

Mr. Pickersgill: I think the minister has satisfied all my questions.

Clause agreed to.

On clause 19—*Municipal bylaws.*

Mr. Roberge: Clause 19 is of a general character and clause 20 is more specific. I would suggest to the committee that we should deal with clause 20 and then revert to clause 19, if that is agreeable.

The Deputy Chairman: Shall we deal with clause 20 first?

Mr. Martin (Essex East): Are we on clause 19?

Mr. Pickersgill: No; it is suggested that we deal with clause 20 first.

On clause 20—*Arrangements with provincial and municipal governments.*

Mr. Roberge: I will not read clause 20 in full but in line 8 there is a reference to "the laws in force therein", and "therein" means the municipality or the province. I should like to ask the minister if that includes by-laws.

Mr. Fulton: With respect to contracts for municipal policing, it is a standard clause in every contract that the members of the force will not be responsible for carrying out the provisions of any certain municipal by-laws, and that is by virtue of the provisions of clause 19 which reads as follows:

> Unless authorized by the governor in council, members shall not be charged with any duties under or in connection with any municipal by-laws.

Therefore contracts with municipal authorities have to spell out specifically what municipal by-laws members may be responsible for enforcing, if any.

Mr. Roberge: Do the different agreements with provinces and municipalities include by-laws?

Mr. Fulton: I have here, for instance, a standard clause from one of the municipal contracts which provides that the unit shall perform such duties and render such services and no others as are ordinarily performed by police constables in aiding the administration of justice, and specifically the unit will not be called upon to engage in the issuing of licences, collection of licence fees or inspection regarding licences, in the collection of taxes or costs other than fines and costs, the impounding of cats, dogs and/or other animals, carrying out of inspections in respect of by-laws relating to health, sanitation or fire. We specifically provide that the members will not be responsible for that type of duty.

Mr. Roberge: But if it does happen that a municipality has the right to enact a by-law with respect to speed—ordinarily that is a provincial matter but sometimes a municipality has the power—would the mounted police acting as the municipal force be allowed to lay a charge because the speed by-law had been broken?

Mr. Fulton: That would be the type of by-law for which we would accept responsibility and that would be covered by the words of the contract.

Mr. Roberge: I think it is nine provinces that have agreements—

Mr. Fulton: Eight.

Mr. Roberge: Eight provinces. Are the agreements the same or is there a difference and, if so, what is the difference?

Mr. Fulton: The provisions of the contract are in the main similar with the exception of Saskatchewan and Alberta where, as my hon. friend will appreciate, the history of the contracts between the force and the provinces run back appreciably farther than it does in respect to any of the other provinces.

Mr. Pickersgill: I would be inclined to suggest, if it were not for certain circumstances that will be in the minds of all members, that there should be substituted for this clause a wholly new clause making a standard contract with the provinces part of the law laid down by parliament. The reason, of course, why I make the suggestion that this is desirable will be obvious to every hon. member. I do not intend to enter into those reasons unless I am asked to do so. There is, however, as hon. members are well aware, a case before the courts involving the interpretation of one of these contracts and I realize that it would be ridiculous to ask parliament at this time, while that action is before the courts, to lay down standard terms under which agreements could be made so that everyone would know what the law really was and would know that it had been made by parilament. But I do think this is desirable and I do not think anyone in parliament should be satisfied unless it is done at the earliest opportunity.

For that reason, sir, I intend to propose an amendment that a third subclause be added to this clause to the effect that the power given to the minister under this clause shall not extend beyond December 31, 1960. I am not moving the amendment yet. I want to explain why I have picked that particular date. In all human probability, however slow the courts may be, this action should surely be concluded by that date, but if the minister thinks that is improbable and would prefer to have a somewhat later date that

would still be within the reasonable life of this parliament I would naturally be quite prepared to consider that such date be substituted. But it does seem to me that at the first opportunity when parliament can debate freely the question involved in clause 20, which we cannot do now, legislation should be brought before parliament and parliament itself should determine the conditions upon which this very unusual and extraordinary power is at the present time given not to the governor in council but to the minister with the approval of the governor in council.

This is a very great power indeed to be given to a minister, the power to provide by contract the police force of another jurisdiction which under our constitution is a sovereign jurisdiction and to make a force for which this parliament pays, for which the taxpayers of Canada pay, available to another jurisdiction and under the exclusive control, because that is what sovereignty means, of that other jurisdiction for provincial purposes. It does seem to me that this is something which grew up over a period of time mainly under the initiative of Liberal governments, I admit, and I have no apology to make for that, and about which until recently no one perhaps thought there would ever be any serious question. But a question having arisen it seems to me that in a matter of relationships that are fundamental to confederation itself parliament, not a minister even with the approval of the governor in council, should lay down the fundamental conditions—

Mr. Clancy: Oh, stop wasting time.

Mr. Pickersgill: Would the hon. member, who favours us so frequently with his intellectual efforts like to take my place and speak for a while? I am quite willing to sit down.

Mr. Clancy: My intellectual efforts, really, I have to sit here and listen—

Mr. Pearson: You do not have to sit here, you can leave.

The Deputy Chairman: Order. The hon. member for Bonavista-Twillingate.

Mr. Pickersgill: The hon. gentleman having exercised himself, perhaps I can now continue in what I believe is still a free parliament. I suggest that in order to meet this particular situation in which we find ourselves at the present time, when it would not be proper to debate the merits of these contracts or the issues involved in them—I am the first to recognize that—parliament should not give power to the minister beyond a reasonable period that may be necessary for the resolution of this question in the courts and that we should incorporate this limitation, a limitation of a character with which the minister will be very familiar because it is precisely the kind of limitation that he urged upon the previous government with respect to other legislation.

I therefore move:

That to clause 20, subclause 3, there shall be added as follows: The power given to the minister in this section shall not extend beyond December 31, 1960.

Mr. Fulton: I have to make it clear that I could not accept the amendment. I should like to give my reasons, but before doing so I should like to correct another of the historical inaccuracies of the member for Bonavista-Twillingate. The hon. gentleman said that contracts with the provinces for the services of the Royal Canadian Mounted Police, I think he said were started by—I do not know whether those were his exact words, but the impression he left is that they were created, in the main, by Liberal governments.

My hon. friend is, as usual, quite inaccurate. The great majority of the contracts were started between 1932 and 1935 under the commissionership of Sir James MacBrien, who was appointed by the late R. B. Bennett. I have not made an historical check, but I think I am right in saying that, with respect to every province with which we now have a contract, except British Columbia, Newfoundland and Saskatchewan, the first, contracts were made under the commissionership of Sir James MacBrien between the years 1932 and 1935.

Mr. Pickersgill: Would the minister permit a question on that point?

Mr. Fulton: Yes.

Mr. Pickersgill: Was not the first contract made with Saskatchewan?

Mr. Fulton: That is correct.

Mr. Pickersgill: Was it not made before Sir James MacBrien was commissioner?

Mr. Fulton: If my hon. friend had been listening instead of being so concerned with what he said he would have noted that I specifically pointed out Saskatchewan was one of the exceptions. I said, with respect to every province with which we now have contracts, except British Columbia, Saskatchewan and Newfoundland, the contracts were first made under the commissionership of Sir James MacBrien.

This government and I, Mr. Chairman, attach a great deal of importance to these contracts, not only as a matter of historical interest but in connection with all aspects of this matter. We believe that these contracts are in the interests of Canada as well as contributing to the efficient policing of

the provinces. I am, therefore, concerned that I do not do anything which will make it difficult to continue these contracts in force. I point out to my hon. friend that conditions do vary from time to time and that it is necessary to negotiate contracts with provinces. The provision has been, and I assume still will be, that contracts are negotiated on the basis of five years and therefore I am unwilling to tie my hands now, in advance of negotiations, or limit the powers to negotiate contracts with provinces or do anything which would, in effect, present the provinces with a *fait accompli*, with a deadline, by accepting an amendment such as that offered by my hon. friend.

It is a well known fact that we have called for negotiations with the provinces with respect to the contracts. I expect those negotiations to proceed as soon as may be convenient. I certainly would not be prepared at this time to write a deadline into the statute by which the power of the minister or the governor in council to make contracts with the provinces would be limited. For these reasons, Mr. Chairman, I have to reject the amendment.

Amendment (Mr. Pickersgill) negatived: Yeas, 20; nays, 70.

Mr. Pickersgill: Since the minister has declined to accept the amendment I have proposed, I am going to suggest to the minister—I am not going to move another amendment—that the government should propose an amendment to this clause. The amendment should be to the effect that the terms of any arrangement entered into with the government of a province or municipality should be laid before parliament at the earliest possible opportunity.

The act calls these things arrangements, and they are made by the minister. They are not orders in council that would normally be tabled under the Regulations Act. They are, however, matters of the utmost importance in our whole federal system, and it does seem to me that, unless I might be mistaken and there might be some adequate statutory provision for these contracts being tabled, if there is no provision there should be in clause 20 a subclause making specific provision for the laying of these contracts before parliament at the earliest possible date.

Mr. Fulton: I am under the impression that these contracts, certainly the provincial contracts, are laid on the table at the present time as soon as they are made. They are, of course, 5-year contracts which are automatically extended from year to year unless one year's notice is given of cancellation. It is my impression that each one of these has been laid on the table when it was first made. I could not speak with anything like definite recollection with regard to the contracts for policing municipalities.

I would, however, make this suggestion. I believe the objective of the hon. member is reasonable and acceptable, but I would not care at the present time to write a specific requirement such as he suggests into the bill because there is something in the back of my mind which tells me that there is a provision under which they are tabled. However, I will do this: I shall be glad, first of all, to undertake that every such contract that is made in the interim will be laid upon the table of the house. When I say "interim" I am referring to this: If I find that there is no requirement under which they must now be tabled, I will be prepared, at the first convenient time, to introduce an amendment containing such a requirement because I think it is a reasonable proposal. I will, in the meantime, table any such contracts that may be made.

Mr. Pickersgill: I am not going to attempt to construe the statute. It would be quite beyond my capacity to do that. However, as I read this clause, it does not appear to me that one of these arrangements would be a regulation within the terms of the Regulations Act. I know of no other statute of a general character that makes it obligatory—and I am speaking again from my research and recollection of the period when I had a certain responsibility in this field—that requires the tabling of documents in parliament. It seems to me that in every case, except such documents as those required under the Regulations Act, documents are required to be tabled only if there is a specific provision in a specific statute. There does not appear to be such a provision in this one. However, if the minister still thinks that there is some general provision I would be willing to accept the suggestion he has made. However, may I say this. Even though it were slightly redundant, I would be much happier—and it does seem to me that it would take the minister's advisers only a minute or two to do it—if they were to put such a simple provision as this one in the statute.

Mr. Fulton: Perhaps I could dispose of the matter in this way, if my hon. friend thinks it is a reasonable suggestion. On reflection, I think he is right. There is no regulation that these contracts be tabled. I think it has been the custom, and it is a custom that I now undertake to continue until such time as there will be statutory provision written into the act. I would not care to draft in a moment such a provision at this time. I would be prepared to give this undertaking,

if my hon. friend will accept my commitment. When the bill is in the other place we will arrange that some hon. gentleman over there will introduce an amendment to the effect of the hon. member's suggestion.

Mr. Pickersgill: May I say that I think the minister has been most reasonable about this matter and that I do not intend to persist further.

Mr. Herridge: Before this clause passes I cannot refrain from observing that the most reasonable attitude of the minister in this respect and the unusually self-effacing modesty of the hon. member for Bonavista-Twillingate have made a contribution to the welfare of Canada in this legislation.

Clause agreed to.

Clause 19 agreed to.

Title agreed to.

The Deputy Chairman: Shall the bill as amended carry?

Mr. Crestohl: I should like to ask the minister if there is in this bill any clause to deal with the matter of restoring the pension to the former commissioner or whether there is in the act any provision by which that could be made possible.

Mr. Fulton: There is nothing in this act. All the pension provisions will now be found in the bill which will be before the house in a few moments after this one is passed. If my hon. friend wishes to do so, perhaps he would raise the subject at that time. I think that would be the proper time to do it.

Bill reported, read the third time and passed.

ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACT

AMENDMENT TO REVISE AND CONSOLIDATE CERTAIN PENSION PROVISIONS, ETC.

Hon. E. D. Fulton (Minister of Justice) moved the second reading of Bill No. C-57 respecting the superannuation of members of the Royal Canadian Mounted Police.

Mr. Hubert Badanai (Fort William): Mr. Speaker, after the election of March 31, 1958 Reverend Dan McIvor said to me, "Whatever you do in Ottawa, I want you to put on the order paper a resolution for legislation to increase pensions of civil servants and R.C.M.P. who were retired when salaries were low, so as to bring such pensions more in line with those of the present". I therefore did so. However, unfortunately, this resolution will not be reached before the end of the session for 1959.

[Mr. Fulton.]

I am sure those hon. members who knew Reverend Dan McIvor will agree with me when I say that there is no greater humanitarian that I know of in Canada than the reverend gentleman who represented the constituency of Fort William for 23 consecutive years. He always championed the cause of the helpless, the sick and the poor. I am glad to report that he celebrated his 86th birthday a couple of months ago in good health and although retired he still shows a keen interest in the doings of the House of Commons.

It should not, therefore, surprise anyone if I am particularly happy to participate in the debate on this bill which was so close to the heart of my predecessor. It is truly my purpose to do all I can on behalf of those whom this bill is designed to benefit. I commend those responsible for its introduction at this session, even though the long wait for it has been an added burden to those concerned.

This bill will authorize the minister to appoint a Royal Canadian Mounted Police pension board. I think this is a step in the right direction.

In speaking in support of the bill I could do no better justice than to quote from what was said by my distinguished predecessor when he first introduced the measure in March of 1957. I am quoting from page 1844 of *Hansard* of 1957. He said:

> This resolution is very simple. It deals with men and women who gave long service in the armed forces, in the Royal Canadian Mounted Police and in the civil service at a time when wages were low. Conditions of service then were not what they are today. There was no 40-hour week; people had to work ten hours a day. One section of the civil service, the postmen, were on duty six days a week, and when snow was on the streets and the streets were not cleared they often worked more than ten hours a day, though they never received any overtime pay.

More than two years later conditions are far worse in so far as the value of the present dollar is concerned. No one can deny the fact that the cost of living has risen to the point where the majority of our superannuated civil servants—and I include many others—are now caught in a vicious cost-price squeeze forcing many of them to recourse to welfare agencies. It is quite evident that inflation has inflicted more hardships on retired pensioners than on business or industry. High cost of living and inflation are like Siamese twins, inseparable, and no amount of talk to the contrary can make one believe that we are not now going through a period of destructive inflation, exacting the highest price from those least able to withstand the onslaught.

In support of what I am saying now I have only to quote the present Minister of National Defence (Mr. Pearkes) as reported on page 1855 of *Hansard* of March 4, 1957. He said:

> We are all conscious of rising living costs and the inflation which faces us at the present time. We know that some attempts have been made by the government to check this inflation. After having given it the original impetus by the tremendous spending of the various government departments, they are frantically trying to adjust the brakes in order to stop the runaway car to which they gave the original push. However, inflation is here, and something has got to be done for these senior retired civil servants.
>
> If the government is not able to check inflation, then it seems to me only fair and just that the government must find some other means of helping those who are really the underprivileged class of the nation. I could read a number of letters I have received from Vancouver island during this session pointing out the plight of these people, but I shall not take up the time of the house by doing so. I merely repeat that these elderly men and women who have served this country in numerous capacities in the past are now in desperate straits. It is only by increasing their pension at the present time that some measure of relief can be brought to them, until such time as the government is able to check this inflationary trend.

Now, Mr. Speaker, if these were the conditions existing two years ago, ably reported by the present Minister of National Defence at that time, conditions now are such that the problem has become one of urgency. His reference to the inflation apparent at the time is of double import now. His statement was to the effect that the then government was not able to check inflation; but we can all agree that it made a good try and that had they been returned to power I believe conditions would be different today.

A well known professor of economics at Queen's University, appearing before a Senate committee recently, made the observation that the whole purpose of inflation is to "gyp the saver". In other words, stealing from those dependent on set incomes or pensions. Three years ago the danger of inflation made its appearance and promptly the government of the day took measures to restrain it. The opposition at that time accused the government of adopting a tight money policy and with remarkable success made the majority of the people believe that it was so and won the approaching elections.

Now, because of a heavy federal deficit which did not exist then, we face large scale unemployment plus inflation. I suggest in all seriousness that in order to safeguard the incomes of our pensioners and the stability of our dollar the government should undertake a study of the trend of inflation in Canada and put into effect ways and means to stop inflationary trends which are now beginning to affect the saving habits of our people.

The Acting Speaker (Mr. Rea): Order. I realize that the hon. member may refer to inflationary trends and that sort of thing, but I do not think that he should go into a speech on economics as far as this bill is concerned, and I am sure he will restrain himself.

Mr. Chevrier: It is economics in connection with this bill.

Mr. Badanai: Mr. Speaker, I will try to refrain from mentioning the word you object to. However, I was saying that the most satisfactory way to project the value of pensions is to prevent inflation, which so far this government has blamed the former government of not being able to do, and which is incapable or unwilling to adopt measures that would work toward the solution of the problem. Pensions or superannuation should be brought under constant review and increased to the point where a retirement after a lifetime of service means a peaceful rest from labour and worry.

The Clark report which was tabled in the house a few months ago, which is a study of the United States and Canadian old age pension systems, should receive more serious consideration than it has received thus far. The report includes the suggestion that the contributions to the universal old age pension fund be made up with 2 per cent from income tax, 2 per cent from corporation tax and 2 per cent from sales taxes. As this would not quite meet the total required to pay the present $55 per month, perhaps a higher contribution would not only meet the requirement but would have the effect of keeping inflation under a better control. The monthly pension increase from $46 to the present $55 made by the present government has already been nullified by the increased prices of food and commodities—

Mr. Fulton: Mr. Speaker, on a point of order, I regret interrupting the hon. gentleman, but may I point out to him that this bill is a bill for the purpose of amending the pension provisions of the R.C.M.P., not specifically for increasing them but for altering their basis. I do suggest to him that a discussion of recent increases in the old age pensions and the extent to which they may have been offset by inflation is really not related to the principle of this bill.

The Acting Speaker (Mr. Rea): I was listening to what the hon. member was saying and hoping that he was just referring to the old age pensions, but he went on to speak on the subject of old age pensions and I am sure he will once again restrain himself and get back to the particular bill we are now discussing.

Mr. Badanai: Mr. Speaker, I find it rather heartening that this bill has been brought up

for discussion, and I trust that the government will in its wisdom consider the plight of the pensioners of the R.C.M.P. who are now living on a pension which is totally inadequate to meet present living conditions.

In speaking on the resolution introduced in this house by the Rev. Dan McIvor, which I have already mentioned, in March of 1957, the present leader of the house made the following statement, as found on page 1845 of *Hansard*. It is just a brief statement and I would wish to read it:

> I am sure the Minister of Finance will not contradict the assertion that civil service salaries were extremely low until recently. I have here an example of a collector of customs, who retired in 1937. At that time he was getting a salary of $2,600 a year. The man occupying his position today is getting $5,000 a year. Yet the man who retired in 1937 of course draws superannuation based only on the salary he was getting at that time. The cost of living has increased. It is increasing now every month. These worthy Canadians are caught in the squeeze.

Conditions have worsened for those living on superannuation since the time when the present Minister of External Affairs and acting minister of public works made that just observation. There are others who should receive consideration, not the least of whom are the widows and unmarried women. This category—and when I say this, I am repeating what I said on another occasion—should be considered for a pension at 60 years of age. The reasons are obvious. Everyone knows that a single woman of 60 cannot very easily obtain employment, and unless she has independent means she is left to the mercy of charity or cast on the relief roll of the municipality.

The Acting Speaker (Mr. Rea): I just cannot seem to figure out what a woman of 60 has got to do with this bill, and I must ask the hon. member to stick to the principle of Bill No. C-57.

Mr. Pickersgill: On that point of order, I think the minister told us in connection with a previous bill that there were some temporary employees of the force, including women, who would be covered by this superannuation bill, so I suggest that on the basis of the information given by the minister my hon. friend from Fort William might very well be in order.

The Acting Speaker (Mr. Rea): I gathered that the hon. member was not referring to temporary employees.

Mr. Badanai: I do not intend to go into detail with regard to these pensions provisions. It should not be necessary to call the government's attention to such a humanitarian consideration. The realization of the plight of the lowest income group of our nation should not have to wait until people are on the edge of despair before applying wise leadership and the adoption of fiscal policies designed to give every Canadian an opportunity for a decent standard of living.

[Mr. Badanai.]

(Translation):

Mr. Gabriel Roberge (Megantic): Mr. Speaker, may I say a few words concerning the principle of this bill? With my colleagues in the official opposition, I have examined the bill quite thoroughly, and we have found it to be along the same lines as the Public Service Superannuation Act and the act we have been discussing this afternoon, namely the Canadian Forces Superannuation Act.

On the whole, I may say that we have no quarrel with the principle of the bill; we merely intend to ask a few questions of the minister when the bill reaches the committee stage.

Let me say to the Minister of Justice (Mr. Fulton) that he is fortunate to have had his colleague the Minister of National Defence (Mr. Pearkes) introduce his bill before this one.

(Text):

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

On clause 1—*Short title.*

Mr. Herridge: I suggest that in view of the excellent progress being made, and it being one minute before ten, we might call it ten o'clock.

Some hon. Members: Carry on.

The Deputy Chairman: Was the suggestion made that the committee might continue with unanimous consent?

Mr. Fulton: I understood so, Mr. Chairman.

The Deputy Chairman: Is the committee agreeable to that?

Some hon. Members: Agreed.

The Deputy Chairman: I heard some "noes". Therefore, it being ten o'clock—

Mr. Fulton: Are you sure you heard a "no"?

The Deputy Chairman: I will put the question again. Will the committee give unanimous consent to sit a little longer on this bill?

It being ten o'clock I do rise, report progress—

Some hon. Members: We are all agreed.

The Deputy Chairman: I will try again. Will the committee give unanimous consent to sit longer on this bill?

Mr. Herridge: No.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Would the leader of the house tell us what we shall be doing tomorrow and the next day? Friday, as the hon. gentleman knows, the house adjourns. And could we be told, also, what business the house intends to take on Monday?

Mr. Green: Tomorrow we will take the estimates of the Department of Justice and then those of the Department of Trade and Commerce. I cannot, as yet, give the business for Monday.

Mr. Chevrier: Are we going to continue with this bill? The house seems to be in a very good mood.

Mr. Green: No, I think we will take the estimates.

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

Questions

ANSWERS TO QUESTIONS

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

IMPORTS OF SMALL CARS—WINDSOR COUNCIL RESOLUTION

Question No. 266—**Mr. Martin (Essex East):**

1. Has the government received a resolution from the Windsor city council alleging the dangers of further imports of small cars being manufactured in the United States, and urging that the content of cars produced in Canada continues to decline?
2. If so, will the government initiate a study of the automobile industry for the purpose of mitigating consequential unemployment.

Answer by: **Right Hon. J. G. Diefenbaker (Prime Minister):**

1. Yes. A resolution passed at a meeting of the Windsor city council on March 9 was sent to the Prime Minister on March 13, 1959.

2. On May 18, 1959 the Prime Minister gave information to the house concerning his meetings with the presidents of the Ford Motor Company of Canada, the Chrysler Company of Canada and the General Motors Corporation. The meetings were held to discuss the manufacture of small cars in Canada. In his statement Mr. Diefenbaker said that any announcement that may be made from time to time respecting this matter will have to be made by the companies.

LOCKAGE TIMES, ST. LAWRENCE SEAWAY

Question No. 404—**Mr. Argue:**

1. Is the actual lockage time on each of the locks constructed by the St. Lawrence seaway authority, the same as the design lockage time?
2. If not, what is the variation at each lock?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. No.

2. St. Lambert, Cote Ste. Catherine and Beauharnois locks filling and emptying time:

The time required to fill or empty a lock is governed by two basic factors: (1) the volume of water to be let in or out. This is directly proportional to the height of lift, and differs at the various locks; (2) the average rate of flow of the water into or out of the lock. This is controlled by the extent to which the taintor valves are opened.

Inherent to the filling characteristics of a lock is the development of a longitudinai surge, accompanied by transverse currents, which act upon a ship to different degrees, dependent upon the size and shape of the ship's hull, and dependent upon the rate of filling. Seaway locks and their hydraulic systems have been designed to reduce these forces to within practicable limits.

Also inherent to the operating characteristics of a lock is the over-filling and over-emptying which is directly proportional to the rate of filling or emptying, and which results in a reverse head acting on the upper or the lower gates, tending to open them. To avoid undue stresses in the operating mechanism, the normal procedure of opening the gate is commenced by the lock operator at about the same time as the reverse head commences to act. This procedure has been adopted at the American locks and at the Welland canal locks.

Prior to the opening of the seaway to shipping on April 25, all lock facilities, including the mitre gates, taintor valves and their operating mechanisms were subjected to mechanical, electrical and hydraulic tests to make certain that they would withstand the maximum loads for which they were designed. The test loads for the operating mechanism were appreciably greater than the actual operating loads to which they will be subjected. Tests were conducted by fully qualified engineers under the direct supervision of the structural engineer, the assistant hydraulic engineer and/or electrical-mechanical engineer. Although during the course of the tests some defects were observed, they were of a minor nature and all were remedied without difficulty.

Naturally, it was not possible to conduct complete operating tests with ships in the locks, nor was it possible to fully train the operators until after the opening of the seaway to shipping. It was decided, therefore, that until this could be completed, the rate of filling and emptying should be restricted, so that the surges in the locks and the reverse heads on gates would be of insignificant magnitudes. This was done, by limiting the opening of taintor valves to about one-half of their maximum, which, with prevailing water levels, resulted in the following operating times for filling and emptying, as compared with design times:

Lock	Design time	Operating time
St. Lambert	6 minutes	7 minutes
Cote Ste. Catherine	7 minutes	12 minutes
Upper Beauharnois	8 minutes	14 minutes
Lower Beauharnois	8 minutes	14 minutes

Recently a more complete series of tests was conducted under the direct supervision of the senior assistant hydraulic engineer and the electrical-mechanical engineer. These tests were made with various sizes and types of ships in the locks. They clearly demonstrated the practicability of ultimately setting the taintor valve controls and limit

switches to fill and empty the locks at even less than the design times. This is apparent from the following test results:

Lock	Design time	Minimum test time to fill	to empty
St Lambert	6 minutes	3½ min.	4¼ min.
Cote Ste. Catherine	7 minutes	6¼ min.	6 min.
Upper Beauharnois	8 minutes	7 min.	6 min.
Lower Beauharnois	8 minutes	6¼ min.	6 min.

It is desirable that more extensive tests be made, and that the lock operators be given additional training before making any change in the present operating procedure.

AGRICULTURAL COLLEGE AND MUNICIPAL BUILDINGS, N.S.—FEDERAL PAYMENTS

Question No. 420—**Mr. Howard:**

1. Since January 1, 1957, has any money been (a) paid; (b) allocated, towards the cost of the agricultural college buildings in the province of Nova Scotia? If so, how much?

Questions

2. Since January 1, 1957, has any money been (a) paid; (b) allocated to (i) municipalities; (ii) school boards, in the province of Nova Scotia for maintenance and repair work? If so, how much in each case?

Answer by: **Hon. Henri Courtemanche (Secretary of State):**

1. (a), (b), No.
2. (a), (b), (i) (ii) No.

CAPE TORMENTINE-BORDEN FERRY SERVICE—BOAT REPAIRS

Question No. 437—**Mr. Argue:**

1. Have any of the boats in ferry service between Cape Tormentine, New Brunswick, and Borden, Prince Edward Island, been repaired at any time during the last five years?
2. If so, what was the cost of repairs to each boat in this service, during each year since 1954, and what was the nature of such repairs?
3. Between what dates was each boat out of service in each year since 1954 while repairs were being made?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1. Yes.

2. M.V. *Abegweit*

Year	Cost of repairs	Nature of repairs
1954	$ 59,645	Annual refit—routine hull and engine room repairs carried out as required by C.S.I. service.
1955	$ 72,816	Do
1956	$ 47,716	Do
1957	$ 65,552	Do
1958	$ 55,789	Do
S.S. *Prince Edward Island*		
1954	$ 51,471	Do
1955	$ 82,967	Annual refit—additional accommodation added and renewal of worn deck and shell plating.
1956	$41,051	Annual refit—routine hull and engine room repairs.
1957	$339,033	Major overhaul due to age of vessel.
1958	$ 12,349	Emergency drydocking due to seizure of port tail end shaft.
S.S. *Scotia II*		
1956-57	$328,722	Under the jurisdiction of the Department of Transport, this vessel was overhauled and refitted for the Prince Edward Island ferry service in 1956 and was delivered at Borden, P.E.I., on October 6, 1956.
1957-58	$ 17,935	

3. M.V. *Abegweit*: April 11 to May 9, 1954; April 12 to May 18, 1955; April 22 to May 19, 1956; April 20 to May 17, 1957; April 10 to May 12, 1958.

S.S. *Prince Edward Island*: May 26 to June 15, 1954; May 26 to June 14, 1955; May 22 to June 20, 1956; November 21, 1956 to April 19, 1957; August 8 to August 18, 1958.

Questions

S.S. *Scotia II*: This vessel is used on relief service as required and has not been out of service on account of drydocking since delivered on October 6, 1956. It is due to drydock in 1959.

DORVAL—HEATING FACILITIES, AIRPORT TERMINAL BUILDING

Question No. 453—**Mr. Macnaughton:**

1. Have plans and specifications been prepared and finalized for the heating of the new terminal building at Dorval airport?
2. If so, when were tenders called for the new heating outlay and to whom, and at what date was the contract awarded?
3. What is the amount of the said contract?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Design of a new central heating plant and distribution system for the new terminal building and various other buildings at the Dorval airport is being carried out by consulting engineers.

2 and 3. Tenders for boilers and ancillary equipment closed on May 1, 1959, and are now being evaluated by the consulting engineers. It is expected that tenders will be called for the distribution system within the next month, and for the remainder of the plant and building within three months.

D.B.S. REPORT—LISTING OF ATLANTIC PROVINCES

Question No. 462—**Mr. McWilliam:**

1. Does the government's report of the industry and merchandising division of the dominion bureau of statistics list the Atlantic provinces separately or as a group?
2. If listed as a group will the government give consideration to listing the provinces separately?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. The industry and merchandising division of the dominion bureau of statistics publishes a number of reports which provide data for each of the Atlantic provinces separately. In some reports issued by the dominion bureau of statistics data must be consolidated and statistics published for the Atlantic provinces as a group.

2. Where resources are available and where the data published by the dominion bureau of statistics does not disclose the operations of an individual plant or company, every effort is made to show statistics for each of the Atlantic provinces separately. In some instances, the limitations of source data do not permit the refinement and publication of figures for the Atlantic provinces separately. For instance, in the case of retail trade, until recently, the estimates of sales for intercensal periods were provided for the Atlantic provinces as a whole. However, steps have been taken to enlarge the monthly and annual surveys by the addition of 4,000 stores, which will permit the preparation of estimates for all Atlantic provinces separately.

HOUSE OF COMMONS

Wednesday, June 24, 1959

The house met at 11 a.m.

COMMITTEES OF THE HOUSE

Second report of standing committee on privileges and elections—Mr. Macquarrie.

Second and third reports of standing committee on public accounts—Mr. Macnaughton.

(Translation):

HOUSE OF COMMONS

CELEBRATION OF FEAST OF ST. JOHN THE BAPTIST

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, today our French-speaking fellow Canadians are celebrating St. John the Baptist day, in honour of their patron saint. I am sure that all hon. members of this house will join me in tendering them our best wishes.

Today's celebrations, and those which have taken place these last few days, recall to our fellow Canadians of French origin their past and the glorious events of their history. We associate ourselves wholeheartedly in those celebrations.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to associate myself and my party with the words just spoken by the Prime Minister.

This year, we are observing the second centenary of the association of the two main racial groups in our country, an association which has marked the real start of the Canadian nation, as we know it today. On this occasion, it is only fair that we who speak a different language and have different traditions render a special tribute to our French-speaking fellow-citizens in recognizing their vital contribution to our country's progress, to the flowering of a strong and free nation united in diversity.

This year the day is especially eventful in that the Queen of Canada is present in Canada on the occasion of the celebration of French Canadians' patron saint's day.

(Text):

May I also remind the house, Mr. Speaker, that St. John's day is being celebrated in another part of Canada as a very special day. I refer to Newfoundland, which has its own proud traditions, its own ancient heritage, which it protects and cherishes in the Canadian family.

(Translation):

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I confess to some difficulty in expressing myself in the beautiful French language.

(Text):

Since I did not have the benefit of any prior announcement or prior consultation, I shall have to ask the indulgence of the house to proceed in Canada's other official language. On behalf of the C.C.F. group, I would say we wish to associate ourselves with the remarks of the Prime Minister and the Leader of the Opposition in paying our tribute to French Canadians at this time in their celebration of this very important occasion.

STARRED QUESTIONS

JUNE 15 GOVERNMENT BOND PROSPECTUS

Question No. 102—**Mr. Benidickson:**

What are the advantages for the treasury in the design of the June 15 prospectus respecting two very short term government of Canada bond issues wherein "issued prices" are at a discount of 2 per cent and 3 7/10 per cent rather than at par, although the prospectus states the short term bonds at the issue price are to yield 5.50 per cent and 5.68 per cent respectively to maturity?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, when bonds such as these are being issued for any short term, it is considered very much to the advantage both of the issuing authority and the market that they be made to coincide with outstanding issues rather than create more issues outstanding for a short period. The market is familiar with the issues that are outstanding, and it is considered advisable in these cases simply to enlarge the outstanding issues rather than create new ones.

CHARTERED BANKS CREDIT PLANS

Question No. 103—**Mr. Benidickson:**

1. Did the bank of Montreal or the bank of Nova Scotia seek the advice of the Minister of Finance or the inspector-general of banks or other finance department officers about the legality or propriety of their plans, having regard to section 91 of the

Starred Questions

Bank Act before recently announcing respectively these banks' "consumers consolidated credit plan" and the "Scotia plan cheque—credit" plan?

2. If so, what advice was provided to these banks by the Minister of Finance or other officials acting under his jurisdiction?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, so far as the minister is concerned there was no consultation on this subject whatever. So far as the inspector general of banks is concerned, I may say that he informs me that the banks have consulted with him from time to time on the procedure for personal loan plans, and that in all cases he has instructed them that they should obtain the advice of counsel as to the legality of any plans they propose to operate. In each case the bank has been advised by counsel, before putting its plan into operation, that the plan is not a violation of the Bank Act.

EXTERNAL AFFAIRS—APPOINTMENT OF MISSION HEADS

Question No. 105—**Mr. Cardin:**

1. How many heads of missions have been appointed since June, 1957, and to what countries?

2. In how many posts abroad is Canada not now represented by a head of mission?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the answer to the first question is 37 in the following countries. Unless hon. members wish these countries read off, I could simply put the list in *Hansard.*

Some hon. Members: Agreed.

Mr. Green: The answer to the second question is eight.

Mr. Speaker: Is it agreed that the list of countries be printed without being read?

Some hon. Members: Agreed.

[*Editor's note: The list of countries referred to above is as follows:*]

Argentina
Belgium
Ceylon
Colombia
Denmark
France—(embassy)
—(NATO)
Germany
Ghana
Greece
India
Indonesia
Iran
Israel
Italy
Japan
Lebanon
Malaya
Netherlands
New Zealand
Norway
Pakistan
Peru
Spain
Sweden
Turkey
Union of South Africa
United Arab Republic
United Kingdom
United States of America:
—(Boston)
—(Chicago)
—(New York)
—(Washington)
Venezuela
The West Indies
Yugoslavia

[Mr. Benidickson.]

FEDERAL BUILDING, NORTH SYDNEY, N.S.

Question No. 106—**Mr. Muir (Cape Breton North and Victoria):**

1. On what date did the Department of Public Works approve construction of a new federal building at North Sydney, Nova Scotia?

2. On what date were plans commenced for this building?

3. On what date were plans and specifications for this building completed?

4. On what date were funds included in the estimates for this building?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the answers to these questions are as follows:

1. October 1, 1957.
2. January 6, 1958.
3. June 26, 1958.
4. April 1, 1958.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MARINE INDUSTRIES LTD.—FEDERAL CONTRACTS

Question No. 104—**Mr. Fisher:**

1. Did Marine Industries Limited receive any contracts from the Department of Public Works, the Department of Transport and the St. Lawrence seaway authority between 1951 and 1957, inclusive?

2. If so, what was the total value of such contracts, when were they let, and for what particular purposes?

PRINTING BUREAU CONTRACTS, QUEBEC

Question No. 109—**Mr. Caron:**

1. Were any contracts over $5,000 for printing awarded by the printing bureau in the province of Quebec from January 1, 1958 to June 1, 1958?

2. If so, how many, to what firms and in what amounts?

3. Were any such contracts under $5,000 awarded in the province of Quebec during the above period?

4. If so, how many, to what firms and in what amounts?

5. Were any contracts over $5,000 for printing awarded by the printing bureau in the province of Quebec from June 1, 1958 to date?

6. If so, how many, to what firms and in what amounts?

7. Were any such contracts under $5,000 awarded in the province of Quebec during the period June 1, 1958 to date?

8. If so, how many, to what firms and in what amounts?

ATLAS OF CANADA

Question No. 110—**Mr. Caron:**

1. By whom is the Atlas of Canada published and who prepares the information contained therein?

2. Who offers it for sale to the public, when was it first offered for sale, were notices sent out to this effect, and on what date?

3. Was a further notice sent out announcing a delay in the date of readiness of the atlas? If so, what was the reason for the delay?

4. Were binders required for the atlas?

5. Were tenders advertised or sought for the supply of such binders? If so, on what date, and in what amounts?

6. What were the names of the firm or firms tendering and the amount of each tender?
7. To whom was the contract awarded?
8. Was a second call for tenders sent out? If so, for how many binders?
9. What was the name of the firm or firms tendering and what was the amount of each tender?
10. To what firm was the contract awarded and at what price?
11. Were further binders required? If so, were tenders received and at what price?
12. Were representations made on behalf of the last mentioned firm? If so, by whom?
13. How long will it be before such binders are ready?
14. From the time the first order was given out until the last one is fulfilled, what is the reason for delay?

INTERSERVICE EQUIVALENTS BOARD

Question No. 388—**Mr. Herridge:**

1. (a) Who are the executive staff of the interservice equivalents board? (b) What are their positions and what is the salary of each?
2. What are the academic and technical qualifications of each member of the executive staff of the interservice equivalents board?
3. What are the terms of reference of the executive secretary of the interservice equivalents board, and by whom were they prepared?
4. (a) Is the position of executive secretary of the interservice equivalents board a civil service appointment? (b) when was the present secretary of the board appointed to this position? (c) was the competition for this appointment filled originally by an "open" competition?

PARKING PROPERTY—C.N.R. OR GOVERNMENT LEASES OR RENTALS

Question No. 459—**Mr. McGregor:**

1. Has the Canadian National Railways or any of its subsidiaries, or any government department, leased or rented any property in Canada or the United States to any company, corporation, association, person or persons for automobile parking purposes since January 1, 1946?
2. If so, (a) what is the location and size of each property? (b) who are the officers of the companies, corporations and/or associations concerned, and what position is held by each? (c) what is the date of each lease and/or agreement, period covered by each and terms of same? (d) what is the amount of rent or percentage of revenue charged in each case, and on what basis were such figures agreed upon?
3. In each case of property being rented or leased for parking purposes, were tenders called?
4. If so, (a) on what dates; (b) in which papers were they advertised? (c) what tenders or bids were received; from whom, and what were the respective figures?
5. What is the name of the official signing such leases or agreements on behalf of (a) the lessor; (b) the lessee?

INTERSERVICE EQUIVALENTS BOARD

Question No. 466—**Mr. Herridge:**

1. When the interservice equivalents board was first formed were terms of reference drafted? If so, by whom, and are certified copies available for inspection?
2. Were terms of reference re-written at a later date? If so, by whom, at what date, by whom were they approved, and are certified copies available for inspection?
3. How does the position of executive secretary of the interservice equivalents board compare, from a responsibility point of view, with the chief architect for the construction division of the army (D.N.D.), or R.C.A.F. (D.N.D.)?

MOTION FOR PAPERS

COMBINES INQUIRY, RAW FISH, B.C.

Motion No. 126—**Mr. Howard:**

For a copy of the statement of evidence by Mr. T. D. MacDonald, director of investigation and research of the combines investigation branch in the matter of an inquiry into the production, purchase and sale of raw fish in British Columbia.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the whole tenor and provisions of the Combines Investigation Act make it clear that it was the intention of parliament that proceedings and inquiries under the act should be conducted in private unless otherwise specifically ordered, until such time as a fully balanced report is available on the basis of a hearing of all parties by the commission, at which time the parties can advance their arguments and answers to the director's statement. In view of this intention of parliament I am unable to accept the motion for the production of one of the statements at this stage.

Mr. Howard: Mr. Speaker, I should like to point out that part of the statement of evidence has already been reproduced in a particular publication, and in fairness to the parties concerned I want all of them made public.

Mr. Speaker: This is not a debatable motion. However, if the minister wishes to reply he may.

Mr. Fulton: It is true that one of the parties published a portion of a statement. If they wish to publish the whole of it, it is within their power to do so. There are three parties concerned, and there are three other statements of evidence. It would be, I consider, contrary to the intention of parliament to produce one of the statements or all of the statements at this time.

Mr. Speaker: Does the hon. member wish to withdraw the motion?

Mr. Howard: No, Mr. Speaker.

Mr. Speaker: I have put the motion. Those in favour of the motion No. 126 please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost on division.

Motion negatived on division.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO GOVERNMENT ACTION ON ALLEGED POLITICAL INFLUENCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, would the Prime Minister tell the house what steps the government are taking to remove the present threat to the effective existence of the Canadian Broadcasting Corporation?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman and the representatives of his party have taken a strong stand, as have the members of this party, against any government interference with the C.B.C. I think that constitutes a complete answer to the hon. gentleman's question.

Hon. Lionel Chevrier (Laurier): May I ask the Prime Minister a question. Has the Prime Minister read the protests from the federation of agriculture and certain religious groups concerning interference in the full and open editorial comment of the C.B.C., and what does he intend to do about it?

Mr. Diefenbaker: Mr. Speaker, the same answer applies in this case that applied to the question of the Leader of the Opposition.

[*Later:*]

Mr. Pearson: I have a question I had hoped to address to the Minister of National Revenue, but in his absence I will direct it to the acting minister. Were discussions held in the past ten days in Toronto or Ottawa between management of the C.B.C. and persons who have since resigned from their posts in the corporation? If so, who was present at these discussions for C.B.C. management and for the talks and public affairs personnel? How many such meetings were held, and on what dates?

Some hon. Members: Order paper.

Hon. J. M. Macdonnell (Acting Minister of National Revenue): I will take that question as notice.

Mr. Chevrier: I wish to direct a question to the Acting Minister of National Revenue. Will the minister comment on a statement made by a group of top C.B.C. officials who have resigned stating, that by removing "Preview Commentary" from the air under political pressure the management of the C.B.C. with the concurrence of the board of directors has bartered away the integrity of national broadcasting in Canada?

Mr. Macdonnell: I will take that question as notice, also.

Hon. Paul Martin (Essex East): In view of the importance of this matter can the Prime Minister tell us whether or not Mr. Allister Grossart of the Progressive Conservative party organization registered complaints with the C.B.C. regarding political commentaries of the Canadian Broadcasting Corporation?

Mr. Diefenbaker: In so far as the C.B.C. is concerned, it has its board of directors who govern it and determine its course. Any question of this kind should be directed to the proper source of information.

[*Later:*]

Mr. Chevrier: Mr. Speaker, I should like to direct a question to the Minister of National Revenue or his representative. In view of the minister's statement yesterday to the effect that 12 resignations in the C.B.C. were a highly exaggerated number, as mentioned by the Leader of the Opposition, will the minister comment on the fact that there are now 32 such resignations, as announced in the morning press and over the radio.

Mr. Macdonnell: Mr. Speaker, I will take this question as notice.

Mr. Martin (Essex East): May I ask the Minister without Portfolio who is acting for the Minister of National Revenue—and I take it this is a question he would want to consider tomorrow—whether he can tell us if the decision to cancel "Preview Commentary" was taken by the management of the Canadian Broadcasting Corporation without prior consultation with the talks and public affairs department. If so, was this procedure not abnormal, in view of the regular procedure followed in such matters? Is the minister now in a position to say whether or not it is true that a further group of 10 officials propose to resign before the end of this day?

Mr. Macdonnell: I will take this question as notice, Mr. Speaker.

(Translation):

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I want to ask the Solicitor General, or whomever is acting for him, a question. Has the minister made, either directly or indi-

rectly, any representations to the C.B.C. with regard to French language radio and television programs?

Hon. E. D. Fulton (Acting Solicitor General): Mr. Speaker, I shall take this question as notice and reply to it tomorrow.

(Text):

FISHERIES

FRASER RIVER—REFERENCE TO U.B.C. MAGAZINE ARTICLE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Fisheries; I have sent him notice. Has the attention of the minister been drawn to an article in the summer 1959 edition of the University of British Columbia's *Alumni Chronicle* by a Mr. Val Gwyther which erroneously and misleadingly states that it is possible to develop the Fraser river for hydro-electric purposes while at the same time saving the fish runs on that river? If so, will the minister undertake to approach the publishers of this periodical in an effort to have a more accurate account published in their next issue?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I want to thank the hon. member for giving me notice of his intention to ask this question. I might say that I feel the question falls outside my field of responsibility.

However, I would like to say that I have seen the article referred to, and I find it is very similar to an article which appeared in another periodical by the same author some time ago. This other periodical, which is the official publication of a professional organization in British Columbia, subsequently in the interest of expressing both sides of the question published a second article with a divergent point of view. I would presume that in the interest of objectivity the U.B.C. *Alumni Chronicle* will follow a similar course. They are, of course, as far as I am concerned, perfectly free to publish whatever they see fit.

Mr. Howard: A supplementary question. Do I understand the minister to indicate that it is outside his jurisdiction and responsibility to attempt to get the true picture, as far as fish are concerned, across to the public?

Mr. Speaker: I think the hon. member is seeking to engage the minister in argument. The minister did state that he regarded this as not being a matter of his administrative responsibility, and I view the question in the same light although I allowed it to be answered.

(Translation):

BRIDGES

JACQUES CARTIER, MONTREAL—STATEMENT ON INQUIRY AS TO REPORTED THEFT

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Shefford (Mr. Boivin) inquired about the theft of $3,000 and 2,000 toll tokens at the Jacques Cartier bridge. I am glad to be able to supply the following particulars.

I am informed by the national harbours board that, at the time of the theft—established by the police as being between 11.55 p.m. Saturday, and 12.25 a.m. Sunday—there were, as usual, two collectors on duty. The theft took place in the toll office, which is about 20 feet from the collection boxes, and the thieves gained entrance by breaking into the coal chute.

The superintendent on duty at the toll office had, as usual, locked the door of the office at about 11.50 p.m., and was making his round toward the south side of the bridge for the purpose of checking the tolls of the collectors who were to be relieved from duty at midnight. The money and tokens represented collections since 4 p.m. Saturday. The matter is being investigated.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I would like to ask a further question of the minister. In view of the statement he has just made, do the officials of his department intend to take steps in order to avoid the recurrence of similar thefts in the future?

Mr. Hees: Yes, Mr. Speaker.

(Text):

POLYMER CORPORATION

INQUIRY AS TO STRIKE SITUATION

On the orders of the day:

Mr. J. W. Murphy (Lambton West): In view of suggestions that there has been some hitch in the settlement of the dispute involving the Polymer Corporation, I wonder if the Minister of Labour has any report he could make to the house.

Hon. Michael Starr (Minister of Labour): The report I have this morning is to the effect that terms of settlement have been arrived at. These have now been ratified and an agreement has been signed.

Inquiries of the Ministry

HOUSING

C.M.H.C.—INQUIRY AS TO DIRECT LOANS TO BUILDERS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Does the government, through Central Mortgage and Housing Corporation, intend to make direct loans to builders as it did last year? If so, when can the house building industry expect the government to announce its intentions in this regard?

Hon. Howard C. Green (Minister of Public Works): I wish to thank the hon. member for having given me notice of his intention to ask this question. This is a subject on which government policy will have to be announced in due course. I may add that I did have a very helpful discussion with the executive officers of the national home builders' association earlier in the week on this particular subject.

NATIONAL DEFENCE

NORTH BAY—STATEMENT ON PUBLIC TENDERS FOR BOMARC MISSILE BASE

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, may I take this opportunity to reply to a question which the hon. member for Nipissing asked yesterday and which I took as notice as Acting Minister of Defence Production. The answer is that public tenders are not called for construction of defence installations where the work is of a classified nature.

Mr. J. R. Garland (Nipissing): I wonder if I could direct a supplementary question to the minister or to the Minister of Defence Production. In view of the report that certain contracting firms, including one United States firm, are today viewing the site at the invitation of this government, will the minister responsible reconsider this matter and give capable northern Ontario companies an opportunity to tender?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, this question has been considered at length by the president of defence construction. No United States company is going to tender on this contract. Any company which is competent to do this classified and very strict work—it is something very special—has been asked and will be asked to tender.

Mr. Garland: Will northern Ontario firms be given an opportunity to tender on this work?

[Mr. Starr.]

Mr. O'Hurley: Some northern Ontario firms which can do the work have been asked.

[*Later:*]

Mr. Garland: Mr. Speaker, I have another question for the Minister of Defence Production. It is in connection with the work being done on the Bomarc missile base at North Bay. Will the minister give us some assurance that local labour will be given the first opportunity for employment on this project?

Mr. O'Hurley: Mr. Speaker, in this contract, as in all others under defence production, local labour has first preference.

MEETINGS WITH UNITED STATES AIRPLANE MANUFACTURERS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of National Defence. Has the minister had any meetings in Ottawa in the last ten days with United States airplane manufacturers on the subject of an aircraft for the Royal Canadian Air Force?

Hon. G. R. Pearkes (Minister of National Defence): A number of manufacturers have been to see me regarding the construction of aircraft, yes.

Mr. Fisher: Can the minister state briefly what manufacturers?

Some hon. Members: No.

Mr. Pearkes: I simply say that a number of representatives of manufacturing firms have been to see me.

AGRICULTURE

REQUEST FOR REFERENCE OF CREDIT LEGISLATION TO AGRICULTURE COMMITTEE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has the attention of the minister been drawn to a request from Mr. A. P. Gleave, president of the Saskatchewan farmers' union, that legislation to provide a system of long term credit for farmers should be referred to the agriculture committee for study so that, in Mr. Gleave's words, the house will not rush through legislation which might in the long run prove unsatisfactory?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I had a request from Mr. Gleave that this legislation should be sent to the agriculture committee for study, and I replied that in view of the fact the session was rapidly drawing to a close, I did not

know whether there would be time to do that but that no firm decision had been taken on the matter.

Mr. Argue: Has the minister given any further consideration to this question? Does he not agree with Mr. Gleave that, since it is long term legislation, it is absolutely essential that farm organizations should be given the right to express their views?

Mr. Harkness: Mr. Speaker, practically all farm organizations in this country have already expressed their views with respect to farm credit legislation. We have had views from the interprovincial farm union, the federation of agriculture and various other agricultural organizations.

Mr. Argue: Does the proposed legislation conform to the views of the farm organizations?

Mr. Harkness: Mr. Speaker, the hon. gentleman will find that out when the resolution is adopted and the bill is given first reading.

Mr. Argue: Mr. Speaker, my view is that it does not.

ST. LAWRENCE SEAWAY

USE OF CANADIAN PILOTS BY U.S. NAVY

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister received a request, or does he know if a request has gone forward to the St. Lawrence-Kingston-Ottawa pilots' association, from the United States navy for the use of Canadian pilots to take the United States navy's warships through the St. Lawrence seaway?

Hon. George H. Hees (Minister of Transport): No, I am not aware of such a request. I would not think it improbable that such a request would be received.

IMMIGRATION

LATVIAN FISHERMEN—CONSIDERATION OF REQUEST TO ENTER CANADA

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration if the hon. lady will give sympathetic consideration to the request of the two Latvian fishermen who are now in Newfoundland and who have asked to be allowed to take refuge in Canada?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, this whole matter is under consideration at the moment. I am not sure that the hon. member is right when he says they have asked for refuge in the strict meaning of that expression, but I can assure the house that the whole matter is receiving sympathetic attention.

Mr. Pickersgill: Does the government still follow the policy of the previous administration of deporting no one behind the iron curtain?

Mrs. Fairclough: Mr. Speaker, that is a pretty broad question which has many ramifications, and I do not think I should answer it in a few words.

FINANCE

COMPARISON OF YIELDS FROM FEDERAL AND MUNICIPAL SECURITIES

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Finance. Is he aware that investors in the medium and higher income groups realize a greater net return on recent Canadian bond issues than they do from the securities of most townships and hamlets of Canada?

Hon. Donald M. Fleming (Minister of Finance): I could not hear all the hon. gentleman's question. If he will repeat it, I will endeavour to answer it.

Mr. McMillan: I want to know if the minister is aware that investors in the medium and higher income groups realize a greater net return on recent Canadian bond issues than they do from the securities of most townships and hamlets of Canada?

Mr. Fleming (Eglinton): No, Mr. Speaker, that is not a fact. The hon. member is comparing different things entirely. You see, Mr. Speaker, before there can be any fair basis of comparison you have to have like things, and like things in the market mean securities comparable in maturity, comparable in rate and comparable in the amount of the issue.

Mr. McMillan: Does the minister deny the reports of Canadian banks and trust companies with respect to this matter?

Mr. Speaker: I am not sure that the hon. member is following a proper course in introducing questions of that kind. They are not matters that can be answered simply, and the minister is being asked to give opinions on matters that are well known or can be easily ascertained from public information. The hon. member really is not asking for information.

Inquiries of the Ministry

Mr. Fleming (Eglinton): With respect, may I suggest that it goes beyond that. The hon. member is making assertions in regard to what these opinions are, and I do not agree that he is correctly stating the weight of opinion in that respect.

Mr. Chevrier: Surely he has a right to ask a question. Are you going to determine the conduct of the house?

TRADE

WASHINGTON MEETING ON EXPORT OF SURPLUS FARM PRODUCTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Trade and Commerce whether there was a meeting in Washington last week of representatives of governments to discuss the export of surplus agricultural products? If so, can the minister report on the results of that meeting?

Hon. Gordon Churchill (Minister of Trade and Commerce): A meeting did take place in Washington attended by officials of the Department of Trade and Commerce and others. I would be very pleased to give a report later with regard to the outcome of that meeting.

LABOUR CONDITIONS

NEW WATERFORD, N.S.—REQUEST FOR ASSISTANCE TO MINERS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): May I ask the Minister of Labour if he is now in a position to answer the question I directed yesterday to the Acting Minister of Labour with reference to a telegram from the united mine workers of New Waterford, Nova Scotia, requesting that the town of New Waterford be declared a depressed area?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have asked my officials to obtain full information on the situation from officers of the Dominion Steel and Coal Company, and I am now informed by officials of the company that full production will begin on June 29 in all the mines of the area and is expected to continue to the end of the year at least.

POST OFFICE DEPARTMENT

REFERENCE TO REPORTED STATEMENT BY MINISTER

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I direct a question to the Postmaster General. He is reported in a newspaper as having said at the toastmasters' club last night that one of the needs in today's world is people with something worth while to say and the ability to say it convincingly. Is the Postmaster General in a position to tell the house if he has found that out in his own government?

(Translation):

Hon. W. M. Hamilton (Postmaster General): No, Mr. Speaker, I have reached that conclusion on listening to remarks by my hon. friend from St. Denis (Mr. Denis).

(Text):

NATIONAL PARKS

CAPE BONAVISTA, NFLD.—INQUIRY AS TO ESTABLISHMENT OF PARK

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Acting Minister of Northern Affairs and National Resources whether, on this 462nd anniversary of the discovery of Canada by John Cabot, he is in a position to announce the establishment of a national historic park at cape Bonavista?

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): I will be glad to bring this matter to the attention of the Minister of Northern Affairs and National Resources. I am certainly not in a position to make any announcement.

CIVIL DEFENCE

REQUEST FOR STATEMENT BY MINISTER OF NATIONAL HEALTH AND WELFARE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of National Health and Welfare on the 56th anniversary of his birth if he is now in a position to make a statement of government policy on the matter of evacuation and shelter with respect to civil defence.

Hon. J. W. Monteith (Minister of National Health and Welfare): On my anniversary, one day removed from that of the hon. member for Essex East, I should like to say that this matter is receiving every consideration.

COAL

REPORTED REDUCTION IN PRODUCTION AND INCREASE IN IMPORTS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): May I ask the Minister of Trade and Commerce if he is now in a position to answer the question I asked yesterday regarding the decrease in the output of Canadian coal and the increase in imports.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the hon. member has drawn attention to the expression of opinion that he smuggled into his question yesterday which should more properly—

Mr. Robichaud: Not smuggled; it was a straightforward question.

Mr. Churchill: If the hon. member wants an answer to his question he had better keep quiet and not interrupt. He smuggled this expression of opinion into a question which should more properly have been addressed to the Minister of Mines and Technical Surveys.

Mr. Robichaud: He was away.

Mr. Churchill: I have checked the release issued by the dominion bureau of statistics, and I might say that the hon. member might well have given me notice of this question. I find that as far as the Department of Trade and Commerce is concerned we have taken note of the imports of coal. Questions with regard to the production of coal are more properly addressed to the other department.

Mr. Robichaud: No answer.

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO EXTEND OPERATIONS, PROVIDE FOR MAXIMUM GUARANTEE OF BANK LOANS, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved the third reading of Bill C-63, to amend the Farm Improvement Loans Act.

Motion agreed to and bill read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Rea in the chair.

DEPARTMENT OF JUSTICE

161. Construction, improvements and equipment, $6,058,571.

Mr. Chevrier: Mr. Chairman, I apologize for not being here earlier during the consideration of this item of the minister's estimates. I realize that the amount is substantial. It has to do with the expenditure of a little over $6 million. The minister may have given the details, but I wonder if he would draw to the attention of the committee what are the main items in this estimate?

Mr. Fulton: That was done, I think, on the last occasion, but perhaps I could summarize briefly what I did point out to the committee then. The main construction under way at the present time is the completion of a new institution at Joyceville, which we expect to be ready for occupancy this fall; there is also the construction of a new institution at St. Vincent de Paul, which we hope to have ready for occupancy in the year 1960. In addition to those, we are constructing, remodelling or altering to make more suitable for our purposes the satellite institutions at Valleyfield and William Head, British Columbia; also a number of additions and enlargements to other institutions, such as a new dormitory building at Saskatchewan and a new dormitory building at the existing institution of St. Vincent de Paul.

Mr. Chevrier: I thank the minister for giving this information. May I just ask one or two questions in connection with the St. Vincent de Paul penitentiary. Is this an extension of the present institution or is it a new building?

Mr. Fulton: This is a new institution but on the same reserve. It is not going to be part of the same old building but it is a new institution, very much along the lines of the Joyceville institution, and it is limited to the St. Vincent de Paul reserve.

Mr. Chevrier: What exactly will the department be doing at Valleyfield? Will it be an institution like St. Vincent de Paul? Will it be operated under the direction of the penitentiary at St. Vincent de Paul?

Mr. Fulton: The Valleyfield site is on loan from the Department of National Defence. It is a satellite institution of St. Vincent de Paul at present, and has been opened for the purpose of relieving the very serious overcrowding at St. Vincent de Paul. When we get the new institution on the St. Vincent de Paul reserve completed I hope that will take care of the overcrowding at that place for some time, but in the meantime there is a serious accommodation problem.

Mr. Chevrier: Is the institution at Valleyfield on de Salaberry island, or part of the plant which was originally called the nitro plant?

Mr. Fulton: I am informed the site is on the mainland.

Mr. Martin (Essex East): In view of the escape of three or four prisoners from William Head, a satellite institution where security arrangements are not the same as in the primary institutions, I should like to ask whether or not this situation over the week end has caused the minister to reconsider security arrangements at William Head and these satellite institutions generally.

Mr. Fulton: Yes, Mr. Chairman, that problem is going to be looked at as soon as the

reports are complete. We have not yet complete reports of the circumstances of the escape. Tentatively, at the moment we do not believe the whole idea is in any sense prejudiced because of these escapes, but we certainly recognize that we have to have under constant revision these current provisions which we put into effect in this new and rather experimental type of project.

Mr. Chevrier: May I, just for clarification, ask another question. The minister said that the satellite institution at Valleyfield was on the mainland. My understanding is that with the construction of the canal, Valleyfield itself is an island. What I am trying to inquire is, where is the satellite going to be constructed on the premises of national defence? The premises of national defence with which I am familiar in that area are the nitro plant.

Mr. Fulton: What has been made available to us is part of the Valleyfield camp, on the outskirts of the city of Valleyfield.

Mr. Chevrier: Can the minister say whether it is part of the old nitro plant that was used during the war?

Mr. Fulton: No, I do not believe it is any part of the nitro plant. My recollection of the pictures and maps I saw showed it was part of the hutted camp which was built and occupied by the Department of National Defence.

Mr. Pickersgill: I asked the minister a number of questions and the minister gave a list in reply which appears on page 4980 of *Hansard,* showing the construction projects of some magnitude that had been instituted since he became minister. I asked him to give certain details about each of those. I could perhaps recall them to the minister's mind.

Mr. Fulton: I have the answers here.

Mr. Pickersgill: The first one was the department's estimate. The second was the actual amount of the contract or contracts that had been let. The third was whether there was more than one contract. The fourth one was if there was more than one contract, why?

Mr. Fulton: As I explained in the earlier discussion on June 19, some of these projects are being carried out with inmate labour; therefore there is no question of a contract for them. I have now a complete answer as requested by the hon. member with respect to some of them, particularly the new institution in Quebec. It is a repetition of information I gave the last day this matter was under discussion, but in order that the answer may be complete I should perhaps repeat it.

With regard to Quebec, for the administration building the estimated cost was $250,000. The contract was let for $213,000, on October 22, 1958. The contractor was A. N. Bail Co. Ltd. of Montreal, Quebec. Automotive building; estimate $140,000; contract let for $158,844 on December 1, 1958 to L. Gordon Tarlton Ltd., Montreal, Quebec. Hospital and chapels building and accommodation building; estimate, $1,950,000; contract let for $1,574,000 on December 2, 1958, to A. N. Bail Ltd., Montreal, P.Q. Stores building and maintenance shop building; estimate $230,000; contract for $266,770 let on December 2, 1958 to A. N. Bail Co. Ltd., Montreal, Quebec. Steam generator plant, which as I explained was in the estimate included with two other buildings at a total cost of $600,000, has been let now; this one building, on a contract for $268,194 on December 2, 1958 to Blainville Welding & Supplies Inc., St. Therese, Quebec. Power plant building, which was another part of that building included in the total estimate of $600,000; the contract therefor has now been let at $225,420 on December 5, 1958 to Doug. Bremner Construction Ltd., Montreal, P.Q. Two shop buildings—it is really a laundry building and shop building—estimate $230,000; contract for $242,300 let on December 9, 1958 to Bee Construction Ltd., of Montreal, P.Q. Water service supply line; a contract for one part of that line has been let. All lines were estimated at $300,000. This particular contract is for $34,900, let on January 12, 1959 to McNamara (Que.) Ltd., Montreal, Quebec. Kitchen building and psychiatric building—

Mr. Pickersgill: Is that one building?

Mr. Fulton: There are two buildings. The kitchen building was estimated at $225,000 and the psychiatric building at $200,000 for a total of $425,000. These two contracts have been let as one contract for a total of $419,985 on February 16, 1959 to Tetrault & Freres Ltee, of Verdun, P.Q. Radial brick chimney, which was also included in the total $600,000 estimate referred to above; contract has now been let for $15,399 on May 11, 1959 to Custodis Canadian Chimney Co. Ltd., Toronto, Ontario. Total contracts therefore for the new institution at Quebec—

Mr. Pickersgill: This is St. Vincent de Paul, is it?

Mr. Fulton: Yes. Contracts for the new institution at Quebec have been let to a total of $3,378,812.

Mr. Pickersgill: As compared with the estimate of what?

Mr. Fulton: Not all contracts have been let. Total estimated cost for this institution was $4,790,000. There remain to be let contracts for some of the services. The exercise hall, school and laboratory building was estimated at $400,000. As I said, many of the service lines and the hardware and lighting fixtures and miscellaneous items were to be installed after the building was completed. They are estimated at $150,000. It would therefore appear the contracts which are estimated to cost some $550,000 plus the balance of the service lines, which was $300,000—that would be a total of $850,000—remain to be let. We therefore appear to be well within the total estimates on the basis of contracts let so far.

Mr. Pickersgill: Is there any contract for air conditioning.

Mr. Fulton: No.

The Deputy Chairman: Shall the vote carry?

Mr. Pickersgill: That deals only with one institution.

Mr. Fulton: If my hon. friend will permit me to do so, I will continue with the list. The next set of information I have is major buildings under construction during 1958-1959 in existing permanent institutions. At Dorchester penitentiary piggery building F-55 was authorized on September 30, 1958 for a total of $50,000 for material purchases. Labour is being done by inmates.

Mr. Pickersgill: Then evidently the minister made an error the other evening, because he gave the figure at $20,000. Was that an estimate?

Mr. Fulton: The first figure I gave was the amount printed in this year's estimates.

Mr. Pickersgill: Then it is going to take more than one year to build this piggery, is it?

Mr. Fulton: Yes. It is a big undertaking. Dorchester has a large farm, and one of the main activities on that farm is the breeding of pigs. As I pointed out, the labour is to be done by the inmates, which in itself provides an occupation for them. It is expected that the construction will not be completed this year.

Mr. Pickersgill: Can the minister say what the estimated total cost of the piggery is?

Mr. Fulton: It is $50,000 for materials.

Mr. Pickersgill: The minister said $50,000?

Mr. Fulton: For materials, yes.

Mr. Pickersgill: Are the inmates paid anything for their labour?

Mr. Fulton: As I explained the last time, the matter has been under discussion. They are paid a daily rate which varies according to grade on a per diem basis. As I explained, no attempt is made to equate it to the ordinary wage scale outside.

Mr. Pickersgill: There is no collective bargaining, then?

Mr. Fulton: I think my hon. friend knows the answer to that question, but if he wishes me to put it on the record I will. The answer is no. Then, still at Dorchester, there is an exercise hall school and library building B-8, authorized May 29, 1957.

Mr. Pickersgill: That was not authorized by the minister?

Mr. Fulton: No, but the construction has commenced since this government took office, and that is the question I was asked. That was authorized to a total of $105,000 for material purchases; labour is being performed by the inmates. The contract for supply and erection of structural steel was covered by an acceptance of a tender of Steel Structure and Services Limited of Montreal in the amount of $14,314. Then at St. Vincent de Paul, in addition to the new institution which is being built on the reserve we are adding a new dormitory to the present institution and making an extension to the industrial building. With respect to the industrial building, the extension was authorized on May 9, 1958 to a total of $74,800 for material purchases, labour being performed by the inmates. The dormitory building was authorized on November 22, 1958 to accommodate 104 inmates. A total of $55,225 was authorized for the purchase and erection of the steel framework, the foundations and interior finishing are being done by the inmates. The contract for the steel building was let to Crosby Engineering Limited of Montreal in the amount of $32,675.

At Kingston a new kitchen building, C-25, was authorized on April 29, 1957 to a total of $100,000. The contract for the supply and erection of structural steel was let to Leeds Bridge and Iron Works, Gananoque, Ontario; in the amount of $25,598. The balance of the authorization will be for the purchase of materials to be installed by the inmates.

At Collin's Bay a new dairy barn building was authorized on May 13, 1957 to a total of $96,653, which is to cover the purchase of materials, labour being performed by the inmates. I should point out that the amount

paid the inmates is a daily amount irrespective of the particular work they are doing, and it comes out of the operations and maintenance vote, so that none of this comparatively small amount for day pay is included in the figures I have given here.

Another building at Collin's Bay is a new vocational shop building authorized May 14, 1958 to a total of $12,200, which is again to cover material purchases, the labour being performed by the inmates.

At the Manitoba penitentiary a new shop building was authorized February 25, 1958 in the amount of $67,000 to cover material purchases, labour being performed by the inmates. A new exercise yard was authorized July 30, 1958 in the amount of $25,000 to cover material purchases, labour performed by the inmates. New dormitory accommodation was constructed in an existing building, authorized on September 25, 1958 to a total of $14,111 to cover material purchases, labour being performed by the inmates.

At Saskatchewan penitentiary, Prince Albert, a new automotive training repair and storage building was authorized on September 30, 1958 in an amount estimated of $90,000, to cover material purchases, labour being performed by the inmates. Reconstruction and reroofing of the west wing shops building was authorized on April 21, 1958 at an estimated cost of $18,500 to cover material purchases. A new industrial warehouse building was authorized July 21, 1958 to a total of $24,200 to cover material purchases. A new dormitory building was authorized November 28, 1958 to a total of $23,500 to cover material purchases. At British Columbia penitentiary a new warehouse building was authorized November 22, 1957 to a total of $30,000, estimated to cover material purchases.

Then a general note. Since the expenditures for construction being carried out by inmates reflects material costs only with no provision for labour, overhead, equipment, shop prefabrication, etc., a comparative estimate of the actual value of the construction projects would be approximately 100 per cent higher.

The total of the major projects I have referred to above is $786,189, which if you add the 100 per cent comes to a total approximate actual value of $1,572,378.

Now the satellite institutions. At William Head, British Columbia, minor reconstruction and renovation work is being carried out by inmates. Expenditure for this purpose to March 31, 1959 is $6,600, approximately. At Valleyfield, Quebec, minor reconstruction and renovation work is being carried out by inmates. Expenditure for this purpose to March 31, 1959 has been approximately $4,725.

[Mr. Fulton.]

Mr. Pickersgill: I thank the minister for the information he has given us. There are two questions I would like to ask, and I will ask them both at the same time so the minister can answer them both at the same time. My first question is this. In the case of contracts let as opposed to work being done by the inmates, were tenders called in every case? I will preface my second question by a very brief statement. The minister will recall that when he sat over here his colleague, then and still the hon. member for Vancouver Quadra, who was appointed Minister of Public Works, used to argue very eloquently and I thought rather persuasively that public works of the government should be done by the Department of Public Works. Two years have elapsed since the hon. gentleman became Minister of Public Works, and so far as I know there has been no increase in the functions of the Department of Public Works.

I would ask the minister if he has had any discussions with the Minister of Public Works or any of his officials in this regard. Obviously the projects carried on by prison inmates would, I can well understand, have to remain in the penitentiaries branch, but does not the minister think it is advisable in the case of these large contracts, where the work is going to be done entirely by contractors, to have competent and experienced staff of the Department of Public Works dealing with these matters?

Mr. Fulton: Mr. Chairman, to answer the first question, the answer is yes; competitive tenders were called in every case. In one case it is interesting to note that, for the purpose of comparison, we asked for tenders on a combined power plant building and steam generating plant at St. Vincent de Paul and also for tenders separately on each of the buildings, and we found that accepting the separate contracts realized a saving of $24,872.

Mr. Pickersgill: Would the minister communicate that information to the Minister of Public Works and he can let his officials know about that.

Mr. Fulton: With respect to the other question, it is a fact that in the penitentiaries branch, we have our own engineering and architectural staff and they supervise the building and the letting of contracts by the penitentiaries branch. I think the very reason my hon. friend has mentioned with respect to those projects done by inmate labour gives the answer why it is desirable to continue in the penitentiaries branch our own engineering and architectural services. We have special problems which arise because these are penitentiaries, and extra

building has to be done within the institutions, in addition to which we have very special problems in connection with the maintenance and repair of our institutions which necessitate keeping our own engineering and architectural branch.

For that reason it was not considered feasible or desirable or economic to have this building done by public works, but I may tell the hon. gentleman now as a matter of general information that when I was Acting Minister of Citizenship and Immigration and I realized that there was a very substantial building program being undertaken in connection with Indian schools, it was my feeling that it would be a mistake for us to duplicate or attempt to duplicate the organization of the Department of Public Works. I discussed this with the officials and they were of the same view, and we instituted discussions with the Department of Public Works with a view to that department undertaking a closer management of our building operations.

Mr. Pickersgill: The Minister of Justice is completely mistaken. If he will look at the files of the Department of Citizenship and Immigration he will find that shortly after I became minister, Mr. Winters and I instituted a study as a result of which these buildings were transferred to the full limit that the Department of Public Works was willing to undertake in each successive year. The suggestion was made by Mr. Winters, but I was in full accord with his view that as rapidly as possible we should dismantle the whole construction branch of Indian affairs except for those minor repairs and minor projects which obviously it would be a waste of time for the staff of the Department of Public Works to deal with because they could so often be done by Indian superintendents. So the accolade which the hon. gentleman gave himself is totally undeserved. If he made any change at all he was simply carrying on the policy which was going on just as fast as public works could digest it, two years before.

Mr. Fulton: Then not much progress had been made.

Mr. Martin (Essex East): The answer the minister gave is certainly not satisfactory. When hon. gentlemen opposite were on this side of the house they complained about the division of responsibility and the confusion of responsibility for the construction of public buildings entrusted to so many departments of government. I well remember this question being raised on my own estimates of the Department of National Health and Welfare, though I cannot recall whether or not the Minister of Justice participated in that debate. Fortunately I was in the position of being able to say that with regard to construction in that department, the departmental program was being carried out by the Department of Public Works.

That was the occasion of a strong and spirited debate entered into by some hon. members who urged the centralization under one department, the Department of Public Works, of responsibility for the whole of the government's building program. But the minister in answer to the indictment levelled at him this morning by the hon. member for Bonavista-Twillingate did not provide an adequate explanation. What justification can there be for the Department of Justice carrying on a complete duplication of the activities of the Department of Public Works with regard to its properties?

I can well understand that in view of the desirability of having prisoners carry on certain work as part of their training, as well as serving other purposes connected with the status of prisoners, some occupation, possibly connected with building, might be found for them; but surely prisoners are not called upon to build penitentiaries. I can understand prisoners lodged, say at Kingston, constructing benches and cupboards or pigsties, but to assign to the prison population projects such as constructing big additions to such institutions as St. Vincent de Paul is, of course, perfectly ridiculous. The minister has not answered the charge made by his own colleagues on another occasion and in another capacity and from another place in this house, and if those arguments were valid two years ago they are no less valid, surely, in the judgment of hon. gentlemen opposite today.

The Department of Public Works should increasingly be entrusted with the responsibility of looking after the construction requirements of all departments of the government just as, for instance, the Department of National Health and Welfare is now being increasingly assigned health responsibilities of all departments. The minister ought surely to give us a more satisfactory reason for the policy of decentralization practised by the Department of Justice as well as by other departments of the government. The minister is, I think, a member of treasury board—

Mr. Fulton: You are quite wrong, as usual.

Mr. Martin (Essex East): The hon. gentleman says I am quite wrong. I had hoped he would have had the opportunity of acquiring that additional experience in the conduct of the government of Canada. I hope before he ceases to be a minister he will be appointed to treasury board because he would find it a useful experience, an experience which if he had profited by it would not have allowed him to make the rather weak defence he did make a few moments ago in answer

to the penetrating observations of my colleague the hon. member for Bonavista-Twillingate.

The minister should, I submit, give us an explanation, in addition to the reasons he has already given, as to why the Department of Justice should continue to duplicate, with all the additional expense involved, the work of another department in the construction of these major institutions and similar projects. The answer given a few moments ago by the Minister of Justice, considered in the light of the indictments which were made against the former administration by his colleagues, is one which requires further explanation, and I hope it will be an adequate explanation.

Mr. Fulton: I will be glad to give an extended reply. I did not think it would be necessary for me to give a very extended answer in justification of this program which, incidentally, has been in effect for 75 years. I did not think it would be necessary for me to give an extended reply to an hon. gentleman who was a member of the government which itself carried on the same program for 22 years; but if the hon. member for Essex East sat all the years he did in the former administration without realizing what are the advantages of carrying on in this manner, and the justification for doing so, I will be glad to rehearse them to him.

I have already indicated some of the reasons, but I did it shortly. Now I will expand on what I said before. It is recognized, and should be recognized by anyone who approaches this question from a common sense point of view, that the problem of maintaining and repairing the very considerable investment in buildings which the taxpayers of Canada have with respect to penitentiaries poses special difficulties, because here we are dealing with a branch which is responsible for the custody and maintenance and discipline and training of inmates of penitentiaries. This is not the kind of problem with which the Department of Public Works deals. It is therefore considered—and, I think, on the soundest basis of common sense—that it is necessary for us to maintain in the penitentiaries branch a constructional, architectural and engineering service if for no other reason than for the purpose of supervising the maintenance and repair work which is carried out in the great majority of cases by inmate labour, and which does not lend itself to the type of construction under contract which is widely used by the Department of Public Works.

Since, therefore, it is necessary for this branch to maintain an architectural and engineering service, with the considerable staff necessary to supervise this work in the ten institutions in Canada from coast to coast

—ten major institutions—it is a matter of common sense and economy that they should at the same time take responsibility for new construction.

The hon. member for Essex East is very short in his recollection and quite inaccurate in his summary of the nature of the construction that is undertaken. It is the normal case that the maximum of construction is done by inmate labour. This, of course, poses a special problem. It is the type of construction and type of problem that the Department of Public Works is not accustomed to handling.

It is true that in the new institutions at St. Vincent de Paul and Joyceville the majority of the work is being done by outside contractors. The reason for that is that there was a very great element of urgency in getting those buildings completed, and we would not pretend that doing it by inmate labour, or doing the majority of the work by inmate labour, is as fast as calling in an outside contractor; but much more work would have been done by inmate labour even in the construction of those new institutions were it not for the urgency of providing the new accommodation.

Nevertheless there is a substantial element of prison population being employed, and my hon. friend is quite wrong when he says there is no inmate labour employed on the new construction. There is. We have had inmates working in Joyceville almost from the time the walls were completed because a great deal of the interior finishing and installation is being done by the inmates and we have had a substantial inmate population there almost from the time that construction was commenced. The same thing, of course—

Mr. Pickersgill: May I ask a question on the point?

Mr. Fulton: May I just finish, and I shall be glad to answer the question after. Incidentally, I am told that with respect to the construction of the very large penitentiaries, for instance Prince Albert, the major part, if not the whole of it, was done by penitentiary labour, so that the type of construction and the problems that have to be met in cases of penitentiary construction, whether of new buildings or of repairs and renovations to existing institutions, are of a nature that require immediate supervision and immediate control within the penitentiary branch itself. The only way to accomplish that is to maintain our own engineering and architectural service, which has been the pattern followed for 75 years.

There is, I think, absolutely nothing inconsistent in the pattern still being followed

and what was said by certain members who now form the government when they were sitting opposite. The point that was made then, as I recall it, was that there was room for better co-ordination and centralization of the building activities with the purview of the Department of Public Works. But I do not recall that it was ever said that there should never be any other separate organization. If my hon. friend were able to find words that went that far I should be surprised. Therefore the fact that we continue to maintain in one case, on the basis of common sense and economy, a separate engineering and architectural branch does not, as I see it, destroy any general case that was made out on a former occasion.

Mr. Pickersgill: Does the minister intend it to be taken from his statement that contractors are themselves using prison labour on contracts, because that was the inference one would draw? That is the reason I rose to ask the question at that point.

Mr. Fulton: I appreciate it. If I did create that impression I appreciate the opportunity to correct it. No; what I meant was that where a contractor has a contract for a building, as soon as he reaches a certain stage, the walls are up and the roof is on, we then move inmates in to do other work within the building which is not part of the contract.

Mr. Pickersgill: I can understand that, but it does seem to me that it completely invalidates the minister's argument in so far as large structures being built by contract are concerned. The problem is precisely the same as it is in Indian affairs. You have a problem of small buildings, new buildings that are built largely by the Indians under the Indian superintendent, and you have the problems of maintenance, and so on, which it would be ridiculous to ask the Department of Public Works to do.

Then you have mainly schools. It is true that you have a program for building residential schools that was carried on for a good many years by the Indian affairs branch which, I agreed with Mr. Winters, was a mistake, and as fast as public works could build them—this was at a time of full employment and that, of course, lessened the possibility of doing it as quickly as it could be done now—these big projects were taken over.

When he was on this side of the house I think the Minister of Public Works said that everything should be done by public works. I think, given time, we can easily substantiate that; but we would not maintain anything so foolish. We would say that the minister has a complete argument as far as these small structures, such as piggeries and things of that sort, are concerned, but when you come to letting a huge contract for $1 million or $2 million it does seem ridiculous that the government should have two sets of architects and engineers in two different departments. Actually, we now have more than that.

Mr. Howard: I should like to make one or two comments. With respect to the problem that has been raised in so far as the maintenance of a staff of architects and designers is concerned, I have no particular thoughts on the matter. Although it would seem that while the building of penitentiaries necessitates a certain type of architecture, a certain type of structure which is different from a public building or a wharf, or things of that nature, yet it would appear that there is a duplication and an unnecessary cost because of that duplication by reason of having this organization within the Department of Justice for the building of penitentiaries and other structures connected with them. If a saving could be made it should be transferred to the Department of Public Works. Whether this is so I cannot say.

I would like to make a few comments on the question of inmates working on the building of penal institutions and on their maintenance and repair. I hope I got the wrong impression from the comments of the hon. member for Essex East when he made reference to inmates building benches and building piggeries and things of that nature, and that inmate labour should be confined to this sort of thing. If I am incorrect I will stand corrected, but I do not think it should be left at that and that inmates in penitentiaries should be confined to doing the menial tasks or the minor little jobs of work that might be necessary in maintaining the penitentiaries themselves, or doing such things as sewing together mail bags for the Post Office Department or lesser jobs of that nature.

I think more and more effort should be concentrated on ensuring that inmates have every possible opportunity in the construction of major buildings, minor buildings, new construction and everything else in the penal institution; that inmate labour should be given every opportunity to participate in the construction of those buildings if for no other reason than that it would give the inmates an opportunity to become familiar with construction processes as they develop from time to time so that when they are released they may fit more easily into our economy and be able to perform some useful function in society by working in the construction industry or in some other trade which they

may learn while they are in the institution. Certainly work of that nature would be of great assistance in the rehabilitation and reformation processes that are necesary to ensure to the greatest possible extent that inmates, when they are released, have less chance of going back to the penitentiary than they have had in years gone by.

I support the idea completely. We should do as much as is humanly possible to ensure that inmates in penal institutions are employed in building new penitentiaries and all the other work connected with them. I would go beyond the thought of confining that sort of work to within the penitentiary itself. This might not be feasible in some cases because of security reasons in the case of life sentences of the individuals concerned, and so on, but there is a great field in penal institutions for inmates to be employed on public projects outside of the penitentiary itself, or outside of these penal institutions. In some of the institutions under provincial jurisdiction in British Columbia inmates are used in forestry work and in things of that nature, all of which is beneficial. They are performing the work while in the penitentiary, and the inmate is being assisted to fit into society more easily after he is released.

I hope the hon. member for Essex East was not trying to leave the impression that penitentiary inmates should be confined to doing menial work in their cells or to building benches and doing little repair jobs.

Mr. Martin (Essex East): Of course not. What I was seeking to emphasize was not so much who did the actual job but who should be responsible for the project, whether it should be public works or whether it should be the Department of Justice. The extent of participation by prisoners is a matter that would obviously have to be determined in the context, but the main consideration was whether or not there should be in so far as possible, a decentralization. Can the minister tell the committee how many architects the Department of Justice has?

Mr. Fulton: We have four architects.

Mr. Martin (Essex East): I suggest to the minister that he should look into this particular division. I do not quarrel with the department having architects or an architect. I would not want to specify what the number should be, but I am going to suggest to the minister that this does look like an unusually large number of officials. It may seem that in suggesting that I agree in principle with the department having an architect I am contradicting the position I took earlier with regard to greater centralization.

Mr. Fulton: May I make a correction. There are five architects, one architect grade 4, three architects grade 2 and one architect grade 1.

Mr. Martin (Essex East): I was just saying that I may have seemed to contradict myself in agreeing to this department having an architectural division or a division of architects when I had taken the position that there should be a greater centralization of these functions in the Department of Public Works. The minister mentioned that there were 10 penal institutions. When my hon. friend compares that with the number of institutions under the jurisdiction of the Department of National Health and Welfare, for instance, he will see that the latter has many more buildings to be concerned with, large hospitals, Indian hospitals and other kinds of institutions, which I should think would run to well over 35 in number. That department has one architect, or perhaps two now.

The requirements in the case of an architect with respect to the building of a hospital are certainly much more complicated than in the building of an institution whose architectural design is not as important as its functional purposes. I suggest to the minister, in view of the charges of unnecessary expenditure which he and others made while sitting on this side, in view of the fact that they said they were going to economize, that the minister, though he is not a member of treasury board, could right in his own department even at this late date, having been in office now for 18 months—

Mr. Pickersgill: Two years.

Mr. Martin (Essex East): Two years—seize this opportunity, in view of the suggestions made with the best of intentions by those of us on this side, to effect the economies which were widely proclaimed from one end of Canada to the other and which undoubtedly made a considerable impression on many people in this country. In the two years the hon. gentlemen have been in office we have had no example whatsoever of any major cut in expenditure.

It may be that the Minister of Justice could give his colleagues an example to follow. He has given them an example in other particulars. I suggest to him that this is another opportunity for him to strengthen the very great position he occupies in the present government. If he could establish himself as an economizer, as a ruthless administrator who none the less took into account the ends of justice, who knows but that one day, and perhaps soon, he might be minister of finance instead of being Minister of Justice.

Mr. Pearson: Mr. Chairman, the minister will recall the views of his colleagues and himself on the desirability of centralizing these activities in the Department of Public Works wherever possible. I recall the present Minister of Public Works insisting that the responsibility as to construction even with respect to our embassies and offices in foreign countries should be in the hands of the Department of Public Works.

I have before me the details with respect to this item as found on page 226, from which the minister no doubt has quoted. In contrast to the situation which the hon. member for Essex East mentioned as existing in the department of National Health and Welfare, it shows that there is a chief, architectural and engineering division, and that there are also four engineers and five architects.

Mr. Crestohl: Mr. Chairman, while we are discussing the use of inmate labour, will the minister tell us what safeguards are taken to see that there is no undue exploitation of such labour? Is there some system by which compensation is provided to the prisoners for various types of labour? Do they get a certain amount of time off for the work they perform, or are they paid? Is there a difference drawn between the more competent and specialized type of labour and ordinary labour? For example, there may be bricklayers, plasterers or painters who are qualified in a specialized way, or possibly even an architect who is an inmate. When such people are used are they compensated on an equal basis with all other workers, or is there additional compensation available for those who are more specialized and who create an economy for the government through the very fact that they are specialists and are more highly skilled? What system exists to extend such recognition in keeping with various levels of skill?

Mr. Fulton: There are three grades. I do not know that I can give every consideration that is taken into account in setting the grades, but generally speaking they are based on the attitude of the inmate, his industry and application to the work he asks to do, his attitude toward the staff, his attitude toward rehabilitation and so on, plus the factor of his aptitude at the particular trade.

This whole subject is one of those which fall within the scope of those referred to the correctional planning committee, who are to bring forward recommendations as to the type of rehabilitational training program or changes, modifications and advances that might be made particularly in the new types of institutions.

Mr. Woolliams: Just before this item carries I should like to direct one or two questions to the minister. I understand there has been a committee examining various sites in western Canada with a view to penitentiary construction. I might preface these remarks by saying that Alberta is the only province in the west that does not have a penitentiary.

I am interested also in the fact that in the Drumheller area two coal mines have been abandoned and the Department of Labour has declared the area a surplus labour area. There are about 300 or 400 men out of work in this area. I am interested in determining how many sites were visited by the committee, and whether or not we might have the report of that committee.

Mr. Fulton: I am sorry, but I do not have the correctional planning committee record before me. I cannot speak from the document as to exactly how many sites were visited, but I know they have inspected personally a number of sites, and I am quite sure that one member of the committee at least visited Drumheller. The committee will be returning here at the end of the month and I expect to receive, not later than the end of the year at the latest, their final report which will include recommendations as to where new institutions should be situated.

Mr. McFarlane: Before we pass this item I should like to add my recommendation to those already made for proposed construction of penitentiaries in western Canada. At the moment I am not very interested in the type of construction, but I am interested in the location. We have already established a precedent in the establishment and construction of a penitentiary at Springhill. I should like to bring to the attention of the committee the fact that the city of Fernie in my area is in a similar situation. There is no industry now in the area to take up the slack and bring back the economy of this East Kootenay area.

There are other aspects of the matter that I should like to bring to the attention of the minister. We have a very desirable community. It is well established, with good homes for the personnel which would result in considerable saving because there would be no necessity for constructing homes such as there would be if the penitentiary were located elsewhere. In addition, the city of Fernie is centrally located in that part of western Canada. At the present time the penitentiary in New Westminster is encroaching on the business and industrial area. If a penitentiary were established at Fernie

there would be plenty of room and the penitentiary would not encroach on the civic area.

I have already dealt with the situation in so far as transportation is concerned. This has ceased to be a problem. In addition, we have the support of all the organizations in the province of British Columbia which have recommended the establishment of a penitentiary in the Fernie area. In this connection I should like to refer to *Hansard* of last year and to the remarks made by the hon. member for New Westminster, as reported at page 3203:

> It is not often that a city wants to move an institution which has a payroll and a purchasing power such as that of the British Columbia penitentiary; but as far as the city of New Westminster is concerned, it will be very glad to get rid of it because it is situated in the centre of the city.
>
> I predict that within 20 years it will be situated in the centre of the greater Vancouver area. We in the city of New Westminster feel that the penitentiary is located on a spot that is unsuitable for that purpose. It is situated in the centre of a growing district, one of the most populous districts in the province of British Columbia. I would ask the minister for assurance that within the next five or ten years the penitentiary will be moved.

He also supports the contention that the penitentiary should be moved to the Fernie area. I notice that a certain amount of money is again being expended on the penitentiary at New Westminster. Perhaps if the minister is giving consideration to making the move, this expenditure should be reconsidered. I would respectfully ask the minister if he would give this matter serious consideration.

Mr. Fulton: I can assure the hon. member and other hon. members who are interested in the question of construction and location of new institutions in western Canada that this is one of the things that will be given most careful consideration. I am well aware of the situation around Fernie, and I am well aware also of the concern of the hon. member who has just spoken that the needs and suitability of that area should be given every proper consideration. I assure him that they will be.

When we get the committee's report we shall be able to come to some final conclusion. As I have assured my hon. friend and others who have written me on behalf of Fernie on previous occasions, the suitability of that location will be most carefully investigated. Then with respect to the fact we are spending money at New Westminster, notwithstanding the fact that a move from New Westminster might be indicated, I can only say we are not spending a great deal of money on the British Columbia penitentiary. The only new construction is a new warehouse building at a total cost of $30,000. In general, of course, it is necessary for us to maintain a proper institution at that point as long as we have it there and until we finally come to move it.

Mr. Roberge: I should like to ask a further question of the minister with regard to the construction work done by inmates. If I properly understood the question put by the hon. member for Cartier, he wanted to know if time off was awarded to prisoners for work done on construction. The minister, in his answer, did not elucidate that point.

I know that standard regulations call for inmates receiving one day off per week for good behaviour, but that is not automatic and depends upon the warden. Is there any automatic time off for work done on construction or maintenance by prisoners?

Mr. Fulton: No, Mr. Chairman, the awarding of time off is not made specifically with reference to the work done by an inmate in any type of labour that has been described. The work he does and his attitude to that work would be part of the general consideration upon which time off was awarded. However, work on construction projects is not singled out for special award of time off, because not all inmates are employed on that type of work. Whatever work they do, and their attitude toward the performance of that work, are factors taken into account in assessing whether or not a prisoner qualifies for time off.

Mr. Roberge: Then there is only one regulation for automatic time off?

Mr. Fulton: It is general, and I would say it is a maximum of six days a month for the first year of confinement and ten days for all subsequent years. As I said, whether or not an inmate is entitled to the maximum depends upon a number of factors including his attitude and his performance on whatever work may be assigned to him.

Mr. Crestohl: May I ask for a little further clarification in connection with this construction. A day put in on construction by an architect or by a specialist inmate creates an economy for the government of say $20, and a day put in by an ordinary labourer inmate creates an economy for the government of say $5. One man creates an economy of saving to the country of $20 and the other one of $5. Is there any yardstick for measuring the recognition which each man should receive? Is there any priority or recognition given to one over the other?

Mr. Fulton: I do not believe so, and I do not believe there should be. This would mean that different classes of inmates would be entitled to earn greater remission than others. If I understand my hon. friend's

suggestion correctly, it would mean that if an architect had run afoul of the law and were serving a sentence, then the time off he got should be measured by his professional skill; whereas a day labourer, for example, who is also an inmate should have his entitlement to time off measured on a somewhat lower scale. I do not think that procedure would be at all equitable, and I hope we shall never see such a system in operation in the penitentiaries.

Mr. Crestohl: I agree with the minister.

Mr. Roberge: Can the minister advise the committee as to the number of hours of work put in by an inmate in one day?

Mr. Fulton: The maximum is eight hours. The maximum work period that can be performed is eight hours, and that can be done only at a smaller institution like Valleyfield and William Head where there is no big administration problem. Inmates cannot be out working unless staff is there to supervise, and the staff works on an eight hour day. In a small institution work can commence almost immediately the staff move out on the job, but in the larger institutions the actual hours during which inmates can work are reduced in accordance with the size of the staff and the administrative problem of getting things going.

Item agreed to.

528. Construction, improvements and equipment—further amount required, $572,436.

Mr. Pickersgill: Can the minister say why such a large supplementary item was required?

Mr. Fulton: The total asked for is $572,436, of which the main components are $119,710 for the new institution in the province of Quebec—

Mr. Pickersgill: I was not asking the minister for any details. I was just wondering why such a large amount was required. I was wondering whether there had been rather poor estimating when the additional amount asked for is over half a million dollars.

Mr. Fulton: No. We expect to start with the work on the new institution in the Springhill area of Nova Scotia, and there is an amount of $200,000 provided for the acquisition of the necessary land.

Mr. Pickersgill: That was not contemplated at the time of the main estimates?

Mr. Fulton: No.

Mr. Pickersgill: I am satisfied with that answer.

Item agreed to.

162. To increase by $400 a year the allowance payable to Mrs. Alice Joynson, pursuant to Chapter 11 of the statutes of 1914, and to increase by $300 a year the allowance payable to Mrs. Jean Laird Farrell, pursuant to Chapter 76 of the statutes of 1927; such increases to be effective from the 1st day of April, 1959, $700.

Mr. Roberge: This is the last item of the estimates of the Department of Justice. The question I wish to ask does not relate at all to this item. However, I want to refer to page 4914 of *Hansard* of June 18, where the minister is reported to have said that he would give the committee a breakdown of the persons working in the office of the Solicitor General before his estimates were completed. That is to be found in the second column on page 4914.

Mr. Fulton: Mr. Chairman, I think my officials prepared for me a breakdown of the staff in the office of the Solicitor General. I had it with me, but I do not think it was called for and I did not hand it in while the administration item was before us. I could get it and table it the first thing this afternoon.

Mr. Roberge: We shall be satisfied if we have it tabled when we come to the Royal Canadian Mounted Police.

Mr. Fulton: I will hand it in at the opening of this afternoon's sitting.

The Chairman: Shall vote 162 carry?

Mr. Roberge: With that restriction.

Mr. Peters: Has that to do with this matter of pensions?

Mr. Fulton: No. I was asked on an earlier occasion for a breakdown showing the persons working in the office of the Solicitor General. I undertook to produce it. My officials prepared it for me, but I do not think it was referred to again and I neglected to hand it in. I have just said that I will hand it in at the opening of the sitting this afternoon.

Mr. Peters: On this matter of pensions I have a question or two. Have these pensions been evaluated or raised to a reasonable level? There has been an increase, but is this level sufficient? Does it bring them in line with other pensions?

Mr. Fulton: I am told that they come in line with the provisions made by the workmen's compensation boards in the various provinces for those who have been injured or who have lost their lives under similar circumstances.

Mr. Peters: Does what the minister has said relate to the compensation rate now or in the past? One of these pensions goes away

back to 1914. Is the compensation rate based on earnings at that time or on the cost of living at the present time? It seems to me that the pensions are extremely low and are insufficient to maintain anybody under present conditions.

Mr. Fulton: I think there are only three pensions under this item.

Mr. Peters: Two.

Mr. Fulton: Perhaps my hon. friend is talking about the statutory item, which technically is not before the committee.

Mr. Peters: No.

Mr. Fulton: I can say that I am informed that, in the discussions with treasury board, treasury board say they are prepared to authorize only the level comparable to that being paid by provinces. From time to time there are adjustments, depending on the adjustments that may be made in the level of provincial compensation.

Item agreed to.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

ROYAL CANADIAN MOUNTED POLICE

Headquarters administration and national police services—

362. Operation and maintenance, $6,270,114.

Mr. Pickersgill: Mr. Chairman, I intend to discuss one aspect and one aspect only of the administration of the Royal Canadian Mounted Police, and that is the matter of the refusal of the minister or of the government —and I intend to say something about which it was in the course of my remarks—to reinforce the Royal Canadian Mounted Police in Newfoundland when the attorney general of that province requested this government to do so on March 11 last. I realize that anyone speaking on this subject under the rules of the committee is under certain disabilities, and I am going to make every effort to be strictly relevant to the rules. I recognize, as I said in another context last night, that the question of the meaning of this contract and the contractual obligations thereunder are before the courts. While I have my own opinion as to what that means, I recognize it would not be proper to debate that question in this place when it is being concurrently considered in another place and is therefore sub judice. I also intend to avoid any discussion of the situation in Newfoundland that made the attorney general of the province in his wisdom ask for these reinforcements, because it seems to me it would be wholly improper for us in this chamber under our federal system of government, to be debating matters which are within provincial jurisdiction. I certainly do not intend in this opening statement of mine, to enter into that at all, and I hope that other hon. members intend to follow the rules of this house in the same way.

In order to give the background of what I want to say I would like to ask members of the committee to cast their minds back to March 11 last when something not quite unprecedented but I think very unusual in the experience of most of us in this house happened. I have been in Ottawa a rather close observer of parliament since the year 1937 and the session of 1938, and it has almost invariably been the rule for the minister of justice, no matter who occupied that office, when questions were asked about the administration of justice within a province to point out that that matter was a purely provincial one and to give no further answer. I think that what the Minister of Justice did on March 11 at 2.30 in the afternoon was right. Here was a situation that did, not directly but indirectly, affect the members of this house, and the minister gave what I regard as a wholly admirable, just and fair statement of the situation with respect to the mounted police as it was up until that time. It was a statement every word of which I agree with, a statement which I consider wholly admirable and proper, and I want to emphasize that very strongly.

I will not read the whole statement into the record, but I would like to emphasize one or two points which the minister made with regard to this matter. At page 1825 of *Hansard* for March 11 he said:

> The fact that there is a strike, however, does not relieve the police of their responsibilities in this field—

The minister had just referred to law enforcement in the preceding paragraph; and if the minister feels I am not reading enough, I am sure he will tell me.

> —but on the contrary imposes upon them extra duties of taking precautions—

And I emphasize the words "extra duties".

> —to see that the tension and bad feelings engendered are not in fact allowed to result in general lawlessness and violence. They must—

And I emphasize that word too.

> —protect the public—and this includes those involved in the dispute—against the possibility of excesses arising out of the tense situation.
>
> In addition, under strike conditions there arises the further obligation of enforcing section 366 of the Criminal Code, which deals specifically with picketing and makes it unlawful for anyone engaged in picketing to use violence or threats of violence

to any person, or intimidation, or to indulge in disorders. In particular, section 366 makes it unlawful to block or obstruct the highways.

The following paragraph I would also like to read:

It will thus be seen that under strike conditions the police are bound to be called upon from time to time—

Bound to be called upon from time to time.

—to perform special duties such, for instance, as to make sure roads are kept open for traffic. Under normal conditions the necessity for such action does not arise, but under strike conditions it is a specific duty they have to perform.

Then on the following page, page 1826, in the first column, the second paragraph—the minister had given some account of what happened, which I do not think is necessary for me to enter—the minister said:

As I have stated, the actions of the police in this very difficult situation have been entirely preventive.

I emphasize again "entirely preventive". This is the minister in charge of the force speaking. Perhaps I should say the minister responsible for the force.

Their actions have been limited to enforcing the provisions of the Criminal Code against assault, damage to property, acts of violence, obstruction of roads and other similar provisions.

Furthermore, the position of the police as I have described it has been outlined by responsible police officers to the union officials concerned, by whom it has been accepted. In addition the police have been at pains, in all cases where picket lines have been established or where men have gathered on the roads, to explain to them the limits imposed upon their activities by the Criminal Code.

This is the minister giving his account of the way in which the Royal Canadian Mounted Police conducted themselves in central Newfoundland, and as I said before I think the minister gave an entirely accurate statement of what happened.

Then he said a little further on:

Since there have been a number of accusations made against the police which have arisen in the main out of three major incidents, I should give here a factual account of what actually took place on those occasions, because the facts demonstrate most clearly that the police have only acted when the provisions of the Criminal Code have been violated.

The only other paragraph I want to read is the concluding paragraph of the minister's statement in which he said:

I am satisfied from my investigation that there is no foundation for any suggestion that the police have permitted themselves to be used as strike-breakers. I am also satisfied that they have acted strictly within the limits of their duties in connection with the enforcement of the criminal law as these duties are multiplied under the circumstances of a strike. Indeed, it is apparent that the approximately 150 police involved have done a thoroughly creditable job in their efforts to preserve the peace over a long period under most trying and difficult circumstances.

The house met at 2.30 in the afternoon. The minister's statement was made as the first item of business, so it must have been made not later than 2.40. At the time the statement was made—and the minister may interrupt me at any time if he thinks I am misstating any of the facts—according to the information we have, arrangements had already been made to have reinforcements flown into the maritime provinces for dispatch to Newfoundland if they proved to be required. And some time in the course of that afternoon—certainly some time before 6.00 p.m.—the attorney general acting in his capacity as the officer responsible for the administration of justice and the maintenance of law and order in the province, and acting under the arrangement with the federal government, asked for those reinforcements through the usual and appropriate channels. Whether the minister knew of the arrangements which had been made and whether he knew what arrangements had been made by the commissioner before he made this statement, I do not recall. The minister can speak for himself about that.

But there is every reason to believe that when the minister made that statement he must have been aware, or, at least, he should have been aware, of the fact that every possible physical provision had been made for the reinforcement of the force in central Newfoundland and that no doubt had been expressed to anyone that these reinforcements would be sent if requested. I emphasize that point because of what happened afterwards. We know that before that evening was over—and I am speaking here from recollection—it was announced on the ten o'clock news that the reinforcements were not being sent. I should not say it was announced; it was stated in the news. I do not know the exact sequence of events because I have no responsibility for doing anything but listen and try to find out what the facts were.

But we do know from what has subsequently been brought before us in this house and told us by the minister that some time before the end of that day the attorney general communicated with the minister about what had happened and, not receiving satisfaction from the minister, he then communicated with the premier of the province who in turn communicated with the Prime Minister in a telegram which I have asked the Prime Minister more than once to put on the record. I regret to say that this has never been done until now. The telegram

dated March 11, 1959 is addressed to the Right Hon. John G. Diefenbaker and reads:

> The Attorney General of Newfoundland informs me that the Minister of Justice of Canada has cancelled temporarily the dispatch of 50 additional officers of the R.C.M.P. for duty in the present emergency in central Newfoundland. Newfoundland has a solemn contract with your government couched in terms identical with the contracts signed by Canada with seven other provinces. Under this solemn contract Canada upon request of the provincial attorney general covenants to provide additional R.C.M.P. officers to deal with emergency conditions such as presently exist in central Newfoundland. The R.C.M.P. in Newfoundland informed our attorney general that at least 50 additional men were needed at once and the commissioner in Ottawa was so informed. He agreed to supply the men and so informed us. An aircraft was chartered by the R.C.M.P. to bring the men to Newfoundland to arrive at 9.30 tonight. This disposes of the question of the availability of the men. We are astonished to learn that their departure has been stopped for a cabinet meeting in Ottawa notwithstanding the fact that the contract gives the Canadian attorney general the right to refuse additional men in an emergency only if they are not available. The commissioner has already made them available so that this is no reason. I now ask you to supply us with the additional R.C.M.P. men to enable us to maintain law and order in this emergency according to the contract that exists between us. If you cannot or will not do so will you undertake to have the government of Canada take over the task of maintaining law and order in central Newfoundland. If you will not give us the police to do it as the contract requires you to do then will you take on the responsibility yourselves of maintaining law and order in this emergency.

We were also informed that no immediate reply was sent by the Prime Minister to that message. I say that in my experience the fact that no reply was sent to that message was an almost unprecedented act by a Prime Minister of Canada, and I am not going to waste my time or the time of the committee by characterizing the way that I and practically everyone in Newfoundland felt about it. But I may say the Prime Minister's predecessor would not have treated the premier of any province in the way the premier of Newfoundland was treated in this particular situation by the Prime Minister of Canada.

Some hon. Members: Oh.

Mr. Pickersgill: I had experience for over 20 years as a close associate of two prime ministers, one of whom had a very bitter controversy, as everyone knows, with one of the provincial premiers, and never once in that time did Mr. Mackenzie King fail in ordinary courtesy to that premier.

An hon. Member: Not a five cent piece.

Some hon. Members: Not another nickel.

The Chairman: I regret to interrupt hon. members but I must remind the committee that the hon. member for Bonavista-Twillingate has the floor. There are far too many speakers at the present moment.

Mr. Pickersgill: I may say that the following morning the newspapers contained the story that these police reinforcements had not been sent to Newfoundland. One of my friends, commenting to me about this situation where there was an emergency, where action was required and where action was not taken and where we were told that the government had not been able to make up its mind, said: this is not like a government; this is like a school girl who cannot make up her mind whether or not to accept a date.

On March 12 I asked the Minister of Justice several questions in the house as reported on page 1864 of *Hansard*, and I want to remind the committee of those questions. I asked the hon. gentleman:

> I wonder if I could ask the Minister of Justice if, as reported in the press, he stopped the transfer to Newfoundland of additional members of the R.C.M.P. requested by the attorney general of the province under section 13 of the intergovernmental agreement; and if so, on what grounds?

And the answer was:

> Mr. Speaker, the answer to the hon. member's question is that the authority of the attorney general of Canada is required before any reinforcements are sent to any province, and the authority has not yet been given.

I do not want to read all this. I would just as soon merely read the minister's answers. The minister's answer to my second question was:

> The matter is still under consideration,—

People's lives were in danger, and the matter was still under consideration. The minister went on:

> —and I am not able to answer the hon. gentleman's question at this time.

I then asked whether the men had been assembled, and the Speaker suggested I was seeking to engage in a debate. I raised a point of order and was permitted to ask a further question to which I got from the minister a reply. The courteous reply I got from the minister was:

> The Minister of Justice requires no lecture from the hon. gentleman as to solemn obligations. The matter is under consideration, as I have already stated.

I then asked the minister whether he had received any communication from the attorney general of the province and he said:

> Yes, Mr. Speaker, I have, and I was in communication with him last night.

Then I asked the Prime Minister whether he had received a communication from the premier and the reply I received from the

Prime Minister I think ought to go on the record. The Prime Minister's reply was:

> Mr. Speaker, the close relationship between the government of Newfoundland and the hon. gentleman would no doubt provide an answer to his question.

It seems to me that that, too, is a sample of a the kind of arrogant attitude that we get from this government at all times when serious matters are under consideration, and I leave it to speak for itself. But what went on? From Wednesday until the following Monday this crisis went on and this government could not make up its mind; I say "this government", I say this minister could not make up his mind because it was the minister who had the duty to make up his mind. I say that it should not have taken the minister five days before he had the fortitude to come to grips with that matter.

Mr. Pearson: The courage.

Mr. Pickersgill: The fortitude to come to grips with it, and I have no admiration and I do not think the country has for this shrinking violet approach. I think the public were not impressed by the minister fiddling about with this matter and mincing up to it and then backing away from it in a most extraordinary manner.

Mr. Fraser: We had a Liberal government for 22 years and they were mincing and fiddling.

Mr. Pickersgill: And his failure to do what, his lack of fortitude to do what as a member of the government accepting his responsibility he should have done.

Mr. Morton: What page are you reading from now?

Mr. Pickersgill: I am reading, as the hon. member no doubt knows, from the Minister of Justice's remarks.

Mr. Fulton: In another debate.

Mr. Pickersgill: In another debate, and if the Minister of Justice objects to my reading from another debate I will desist. I said we had an extraordinary spectacle the other day of this minister who took five days, when men's lives were in danger, to decide whether he should or should not act, talking about someone else's courage and that was some spectacle, sir.

Mr. Morton: The record speaks for itself.

Mr. Pickersgill: I come now to what happened when after five days—

Mr. Walker: Five days?

Mr. Pickersgill: I observe the hon. member for Rosedale is now intervening in the debate. When I have concluded what I have to say I hope the hon. member for Rosedale will get up and make a defence, if he can make a defence, of the indefensible conduct of the minister. I do not think he will.

Mr. Horner (Acadia): That is your opinion.

Mr. Pickersgill: That is my opinion, yes, and we shall soon see. And now, sir, what happened on March 16 when, finally, after five days, this government at last had reached a conclusion about this matter?

Some hon. Members: Five days.

Mr. Pickersgill: What did we have after five days. We had a very extraordinary situation arise. We had the Prime Minister come in here and make a statement about a matter that was not the responsibility of the government but was the exclusive responsibility, under an agreement, of one minister.

We dealt with the legislation only yesterday that gives to the minister this power, and I raised some questions at that time about giving that power to the minister but the power was in the minister, the obligation was on the minister, and yet what did we have? We had the Prime Minister come in here and make this statement. I read from page 1959 of *Hansard* of March 16. The Prime Minister began:

> I think the house would wish to know that late last week I received two telegrams from the premier of Newfoundland, the first regarding a request that 50 additional Royal Canadian Mounted Police constables be sent to that province, and the second requesting the setting up of a judicial inquiry into the troubles that have occurred there.
>
> While this government has no intention of infringing on matters under provincial jurisdiction, I feel impelled to say that the premier of Newfoundland has greatly aggravated the present situation in that province by intervening in a labour dispute in a way which apparently goes beyond the usual role of government.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I do not imagine that any member from the province of Quebec has said, "Hear, hear". In all the experience I have ever had this is the most flagrant intervention by any Prime Minister of Canada in the provincial affairs of any province. The Prime Minister continued:

> The result, as might have been anticipated, has been a violent reaction on the part of the workers concerned.

I do not know how the Prime Minister knew that, and I am not going to discuss that point, but here is what the Prime Minister said next, and this point I do want to underline and emphasize:

> Under the circumstances we have concluded that it would be provocative and likely to cause further outbreaks of violence to authorize the sending of further members of the R.C.M.P. at this time.

"We have concluded", not "I have concluded". This is not the Minister of Justice speaking, this is the Prime Minister usurping the functions of the Minister of Justice.

Mr. Fulton: Oh, nonsense; absolute nonsense.

Mr. Pickersgill: I will deal with the nonsense.

Mr. Fulton: So will I, I am going to deal with your nonsense.

Mr. Pickersgill: No doubt the minister is, and if we deal with it each in our turn it will be better.

Mr. Fulton: Don't make such silly statements.

Mr. Pickersgill: "Under the circumstances we have concluded that it would be provocative". No one knows better than you, sir, a distinguished lawyer in the province of Quebec who is familiar with the constitution, that it is the exclusive responsibility of the provincial authorities to administer justice in the provinces.

Mr. Pearson: It used to be.

Mr. Pickersgill: Or it used to be, as my leader has pointed out. But here we have, because of an arrangement, an arrangement on which the province up to five days before had every reason to believe it could rely, the Prime Minister, without any knowledge of the facts, as his previous statement shows, arrogating to himself and to his colleagues the functions of an attorney general of a province. That is what happened, because there can be no question that in the province of Quebec where they have provincial police it would not be possible for the minister to do this; but because the provincial authorities in a smaller and poorer province had made an arrangement which the minister last night said he believed to be a good one, for that reason it is deprived of its rights, deprived of the necessary instrument on which it had every right to rely in order to carry out those rights. That is what the Prime Minister's statement means and it is all that it can mean.

Then he went on to reinforce that with another sentence. I do not intend to read the whole statement unless I am asked to do so, but he went on to make this extraordinary observation, no doubt out of his vast knowledge of what was going on in Newfoundland:

> I would think that the danger of disorder and violence would be very much reduced if all those concerned would agree to a cooling off period of say two weeks.

Here was a situation where a man had been killed. Here was a situation where the whole population of an area was tense and where, if ever, there should be more than adequate police in order to make sure that the situation did not deteriorate. But what do we have from the Prime Minister? No police but just this appeal for a cooling off.

Mr. Fraser: And they did.

Mr. Pickersgill: If the hon. gentleman thinks that what happened afterward was the result of anything said by the Prime Minister I am afraid I would find it difficult to agree with him.

Mr. Fulton: I am sure you would, knowing you.

Mr. Pickersgill: I want to come now to what the Minister of Justice had to say in justification. The Minister of Justice contradicted the Prime Minister. The Minister of Justice, I think, took the proper legal view. I must say, speaking personally, that I would have more respect for the legal opinion of the Minister of Justice than I would for the legal opinion of the Prime Minister, but that is a matter of personal preference and I think here the Minister of Justice was right and the Prime Minister was wrong. I want to refer to what the Minister of Justice said, dealing precisely with this point, as found at page 1960 of *Hansard* for March 16. He gave various reasons but I want to read first this sentence found about a quarter of the way down the second column:

> It is also clear that the ultimate responsibility for the decision rests on the Attorney General of Canada.

In my view that is right. As hon. gentlemen know, I have had some experience in government myself. I was charged with the administration of certain acts of parliament that imposed certain duties upon the minister, and those duties were imposed by parliament upon the minister, not upon the government. Where they were imposed upon the minister the view that was always taken by the prime minister under whom I served was that the minister himself must take that responsibility. That did not preclude his seeking advice from his colleagues—

Mr. Fulton: Exactly.

Mr. Pickersgill: —but I cannot imagine any circumstances in which a duty was imposed upon a minister when Mr. St. Laurent would ever have come into the house and used words such as the Prime Minister used.

The Deputy Chairman: Order. I am very sorry to have to advise the hon. member that his time has expired.

Mr. Fulton: Oh, well, we are in committee.

The Deputy Chairman: Does the committee give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. Pickersgill: I appreciate the committee giving me the opportunity to complete my remarks in a single sequence. I was just saying that I cannot imagine any circumstances in which, when a clear duty was imposed by parliament upon a minister, Mr. St. Laurent would have come into the house and made the statement which the Prime Minister made, "Under the circumstances we have concluded." I say that the forms of our institutions are just as important to preserve as the substance, and even if it were the fact, and I am not sure it was, that the Prime Minister did impose upon the Minister of Justice the statement should not have been put in that form.

Let us see what reasons the Minister of Justice gave for taking the position he took on March 16 in relation to what he said as to the situation on March 11, the day on which the request was made. Here is what the minister said, as found at page 1960 of *Hansard*:

> Following the clash that took place on the highway outside the town of Badger on Tuesday evening, March 10, the situation apparently deteriorated further and Superintendent Parsons advised the commissioner that in view of the movement of 100 further strikers into the area, he felt that the call for reinforcements should be renewed.
>
> On receipt of this information from the commissioner on Wednesday morning, I approved—

I find I have to amend something about which I spoke from recollection earlier. When the minister made the statement on Wednesday afternoon, March 11, he had already approved—

> —his taking the steps necessary to gather the men in the maritimes who had been alerted, and to have air transportation arranged. I told him, however, that while these steps were to be taken as a precaution I was not giving authority for the plane to take off from Moncton, and that this was not to take place until I had an opportunity to consider the situation further and to consult with my colleagues with regard to it.

That is the situation, and that consultation, as I have said several times before, took five days.

Mr. Fulton: My hon. friend should read the next sentence which disposes entirely of the inaccurate statement he has just made and proves that what he said was incorrect.

Mr. Pickersgill: I will be very glad to do so. I told the minister at the beginning that I would be very glad to read any additional part and I will be very glad to do so. The minister does not need to be provocative about it. I will be glad to do it any time he asks.

> The commissioner thereupon informed me—

Mr. Fulton: No, the next sentence, which shows that it did not take five days but that a decision was taken that afternoon.

Mr. Pickersgill: I beg the minister's pardon. I certainly was not deliberately trying to omit it.

Some hon. Members: Oh, oh.

Mr. Pickersgill: If any hon. gentleman wishes to make the suggestion that I was he can make it.

> These consultations were held on Wednesday afternoon, and it was decided that a state of readiness should be maintained but that reinforcements should not be dispatched at that time.

That was no decision. That was postponement of a decision, a postponement that endured, as I have already said, for five days. I want to come now to the minister's reasons for refusing ultimately, five days later, to send these reinforcements. Here is what he said as found on page 1961:

> I do not accept, and the government of Canada cannot accept, that an issue of this importance—whether reinforcements should be sent under the circumstances such as existed here—can be decided on the basis of a mere mathematical calculation as to whether men are physically available.

Mr. Fulton: Mr. Chairman, so far I have refrained from interrupting the hon. member on a point of order, the point of order having to do with the sub judice rule, because the hon. gentleman has been reciting the facts and giving his opinion about them which he is entitled to do and to which I am entitled to reply, and to which I shall, but I think the hon. gentleman is now coming inescapably to the issue that is before the courts, the issue of whether it was right or wrong to refuse to send these reinforcements.

Mr. Pickersgill: Whether there was a contractual right.

Mr. Fulton: Discussion of that issue inescapably involves discussion of the issue that is before the courts. If the hon. gentleman is going to discuss the reasons which I gave at the time I shall have to defend them and we will inevitably drift into an improper debate.

Mr. Pickersgill: When I reached the reference to "mere mathematical calculation" I realized at that point that what the minister is saying is quite right, but I think we must be very clear about what is before the court and that is whether or not the contract was broken. I am not going to attempt to argue that at all. The minister is perfectly right

that we should not debate that in the house. I was inadvertently embarking on that and I apologize to the minister for doing so. But there is another point, that even had there not been a contract it seems to me that there was an obligation, and again I am not going to discuss the nature of that obligation. However, the minister did make one comment which I do not think could be at issue in the case, although I will refrain from discussing it if the minister thinks it is.

I should like to quote the last two full paragraphs in the next column. This has to do with the situation there but it does not seem to me that this is at issue in this context, although it is at issue in another argument I did want to pursue. My argument is as to whether or not there was an invasion of provincial rights. I quote:

> As I appreciate the situation, therefore, the request made by the government of Newfoundland for Royal Canadian Mounted Police reinforcements takes on the character not of a request to assist in the normal function and duty of the province in maintaining law and order, but of a request for additional help made necessary in the course of the furtherance of a project to extinguish a union from the province.

Now about that, I should like to contrast that with what the minister said on March 11, as recorded on page 1826 of *Hansard* for that date:

> As I have stated, the actions of the police in this very difficult situation have been entirely preventive. Their actions have been limited to enforcing the provisions of the Criminal Code against assault, damage to property, acts of violence, obstruction of roads and other similar provisions.

Now if that was true at 2.40 in the afternoon concerning what the mounted police were doing, what happened to change what they were being called upon to do, according to the minister, on March 16? What happened between three o'clock in the afternoon and six to change the whole obligation in this matter? This is what it is difficult for any objective observer to understand. Then, returning to the minister's statement on March 16, we find this:

> We have also had to bear in mind the possibility that under these circumstances to send additional Royal Canadian Mounted Police into Newfoundland, instead of ensuring that the situation is kept under control, might act only as provocation to further incidents of violence and defiance, so there is no certainty that the sending of them would not do more to inflame the situation than to control it.

Now I say that that statement by the Minister of Justice of this country is an arrogation to himself of the functions of another person, serving in another government, who had the responsibility to the electorate for this situation. It was the inescapable responsibility under our constitution of the attorney general of Newfoundland to maintain law and order in the province. It was not the responsibility of the Minister of Justice to arrogate that function to himself. Indeed, I think it was very bad taste—perhaps I would not go farther than that—for him to express any view about it. If he had merely expressed a view about it, that would have been one thing, but to take action to prevent the duly constituted authority who is responsible under our constitution to the legislature and through the legislature to the people—to say, my knowledge is so much greater; I am so superior, and I know so much more that I am going to substitute myself for those who were elected by the people of the province to perform this function—it seems to me is the greatest act of centralization that we have ever seen attempted by a federal government in the whole history of Canada.

That is my submission. I am not going to argue as to whether or not the contract obligated the government. I say that the decision taken by the government not to act, to refrain from providing these reinforcements, was an intrusion into the constitutional concerns of the provincial authorities and that it should be censured for this.

Mr. Stinson: Tell us about this phony loggers' union.

Mr. Pickersgill: The hon. gentleman, who intervenes only rarely in our debates, is suggesting that I should deal with something that it would be quite out of order to discuss on the estimates of the Minister of Justice. I do not intend to break the rules of the house, even if the hon. member wishes to do so. I am going to continue to discuss the Royal Canadian Mounted Police, and the minister's administration of them. I am going to discuss only that matter and nothing else.

I maintain that whatever the contractual obligation may have been there was grave violence done to the constitution by the action taken by the minister. I say there was something even worse, there was a very grave affront to the unity of the country. In order to illustrate that point I should like to read, and to make my own—with this I intend to conclude—the observations made about this incident on March 18 in the *News* of St. John's. I should like to say, in referring to this editorial, that I am referring to an editorial in a newspaper that consistently supported hon. gentlemen opposite and has not supported us until very recently. The editorial is entitled, "The Inadequacies of Mr. Diefenbaker". It was provoked by and relates to this situation and I feel it accurately reflects the views

of most of the hon. gentleman's former friends in the province of Newfoundland. This is what it says:

> Because of a feeling that John Diefenbaker was a towering figure in Canadian politics, we protested vigorously a few years ago the efforts of the Liberals to gerrymander him out of his seat in the House of Commons.
>
> In 1956, we said here that he was the obvious choice to succeed George Drew as leader of the Conservative party.
>
> In 1957 and 1958, we expressed the hope that he would lead the Conservatives to victory in Canada. We are not alone today in thinking that John Diefenbaker has failed to fulfil his earlier promise.
>
> That thought has been growing in dimensions and expression during the past year. Yet nothing could more clearly reveal the inadequacies of Mr. Diefenbaker than his extraordinary contradiction of orders given by the commissioner of the R.C.M.P. in response to the request for reinforcements for central Newfoundland.
>
> The consequence was revealed on Monday when a great career police officer, a man respected far beyond the borders of Canada for wisdom, ability and integrity, was compelled by the unaccountable intervention of the Prime Minister to resign his command.

Then there is a paragraph referring to the commissioner which is not strictly relevant. Although I should like to read it, I shall not do so out of consideration for the committee. The editorial continues:

> In this intervention, Mr. Diefenbaker and his Minister of Justice did more than question the judgment and authority of Commissioner Nicholson. With complete disregard for the consequences, they denied necessary reinforcements for the tired men of the R.C.M.P. and Newfoundland constabulary in central Newfoundland, exposed them to danger, and compelled the provincial government to undermine the security of St. John's in order to send more provincial police to Grand Falls.
>
> This was done without a proper inquiry into the situation in Newfoundland.

I think that is as far as I should read because the rest of it deals with questions that are not directly relevant. I want to end up my remarks by saying that it seems to me that the minister was grossly derelict in his duty and deserving of the censure of parliament for presuming to intervene in a matter that was entirely within provincial jurisdiction. Having waited until the last moment, having allowed the authorities in the province to have every reason to believe they could rely upon these reinforcements, whatever the contractual situation may have been, it was a very grave affront indeed to all the people of the province to take the action that was taken in this matter. I may say in concluding what I said on the budget, that I do not believe the people of this country will ever forget that this government in this crisis put themselves on the side of the lawbreaker rather than on the side of law and order.

Mr. Fulton: Mr. Chairman, a good deal of what the hon. member for Bonavista-Twillingate has said, he has said with more heat than with light. I shall not attempt to answer him in kind. I shall just recite the facts because the facts give the answer to my hon. friend's exuberance as well as to all the baseless charges that he has laid. The facts, as a matter of fact, are so well known that I am surprised that the hon. gentleman would have thought that he could create in the minds of this committee—and no doubt he thought that if he could create it here, he could create it in the minds of others outside in the country—the impression that the facts are other than they are and the impression that there was something to be characterized by the words that he used such as "unwarranted invasions of provincial rights", "deserving of the censure of the house" and so on in what he says that we have done. Let us look at the facts. I think it will be more effective if I analyse the facts calmly than if I attempt to generate the same amount of heat as that generated by the hon. gentleman.

First of all, he suggests that there is something inconsistent and something somehow shameful in the fact that on Wednesday, March 11, I made a statement in which I praised the conduct of the Royal Canadian Mounted Police in maintaining law and order on the one hand whereas, on March 16, I explained my reasons for refusing to send additional Royal Canadian Mounted Police to the province of Newfoundland. There is nothing inconsistent between those two positions. Certainly the responsibility of the men who were in Newfoundland under contract was to remain there and carry out the lawful orders that they received. That they did to the best of their ability under, as I have said on numerous occasions, extremely difficult circumstances. I had and still have nothing but admiration for the way in which they discharged those obligations. But the sending of reinforcements is a very different situation or a very different thing altogether. It is a very different thing to say that men there under a contract with responsibilities must remain there and carry out that contract and discharge those responsibilities to the best of their ability, as they did—that is very different from the position raised when we received a request to send fifty extra reinforcements in to take care of a situation which had been created, as the Prime Minister said, in large part by the extraordinary actions of the premier of that province.

It was with respect to the new situation which would be created by the sending in of fifty further reinforcements that I was called upon to exercise my judgment and to make my decision, and I did it. I was not called upon to exercise any judgment or to make any decision with regard to the men who were

already there and I scrupulously refrained from doing so. That is the difference in the situation and that disposes of the suggestion of my hon. friend that I was somehow inconsistent in refusing to send in reinforcements whereas I had previously praised the way in which the Royal Canadian Mounted Police there had conducted themselves. Incidentally, Mr. Chairman, I think I should point out this fact, although I want to be careful now, as I have been throughout, not to interfere or to suggest interference with provincial responsibility. I should point out that the fact is that there were no further outbreaks of violence after March 10; and notwithstanding our refusal to send Royal Canadian Mounted Police reinforcements there have been no further outbreaks of violence but in fact relative calm has returned to Newfoundland.

Mr. Pickersgill: Would the minister permit a question?

Mr. Fulton: No, not at this point, if my hon. friend does not mind.

Mr. Pickersgill: The minister's statement is not correct.

Mr. Fulton: This is particularly important in the light of the fact that the suggestion has been made on some occasions and was repeated in the editorial which my hon. friend last read that we should have sent these reinforcements because they were necessary to preserve the lives and the safety of the police already there.

I want to make this matter clear—and I have not answered this point before—that in the discussion with the former commissioner of the Royal Canadian Mounted Police as to the advisability and the necessity of sending reinforcements, I questioned him most carefully as to whether, in his view, these reinforcements were necessary to protect the lives and safety of the men already there and whether he would say to me that without these reinforcements he feared that the lives and safety of the Royal Canadian Mounted Police in Newfoundland would be placed in danger. He was candid and straightforward about it and he said, that he did not put the question of reinforcements on that basis. He put it on the basis that the superintendent there had asked for reinforcements and in his view, he said, because of the uncertainty of being able to retain control of the situation, under those circumstances and under all the circumstances—including the fact that in his view the contract was clear—such reinforcements should be sent. I make that remark because I think it is important in the context that has been suggested in the editorial read by my hon. friend. I take it that the hon. member for Bonavista-Twillingate adopted this editorial as his own and adopted the views expressed there as his own. Otherwise he would not have read it.

I want to point out also what the Prime Minister said on March 16, as reported at page 1959 of *Hansard:*

> We feel that the Royal Canadian Mounted Police has performed its duty with fairness and efficiency. The situation in Newfoundland will be kept constantly under review and if the mounted police, in the proper discharge of their duties are subject to or encounter intimidation or threats by lawbreakers reconsideration will be given immediately to this decision.

That is the decision not to send reinforcements. The fact of the matter is, that as events proved the mounted police then in Newfoundland, with the assistance of the extra men sent in from the Newfoundland constabulary, were able not only to maintain the situation but to restore law and order and, as I have said, relative calm now exists in that province.

I now want to deal for a moment with the five day issue. My hon. friend attempted to make a point that here we were with conditions of grave import, a request for reinforcements and that we shilly-shallied around for five days while we were trying to make up our minds what to do. Also coupled with that suggestion he made the extraordinary and unfounded suggestion that the Prime Minister had arrogated to himself a responsibility which was not his and had over-ridden what was the proper constitutional position.

Mr. Chairman, the request for reinforcements on this occasion was received on the early morning of March 11. Early that morning the commissioner informed me that the renewed request had been received. It is important to remember that this was a renewed request. It was not the first time a request for reinforcements had been made and had not been met. It was a renewed request. The commissioner informed me of this request in the early morning and also informed me, as I have stated to the house in my statement appearing at pages 1959 to 1962 of *Hansard,* of the steps that he had taken to gather men in the maritime provinces and to have air transportation available to transport them to Newfoundland. Here is what I said about it at the time:

> On receipt of this information from the commissioner on Wednesday morning, I approved his taking the steps necessary to gather the men in the maritimes who had been alerted, and to have air transportation arranged.

This, Mr. Chairman, it seems to me, is but a prudent step to take because we knew that there was a tense situation in Newfoundland, and it was to have reinforcements

standing by. But it was my view immediately—and this was subsequently confirmed—that it was not incumbent upon us and it would not be wise immediately to send reinforcements. I therefore told the commissioner this, as I then in my statement pointed out in my statement:

I told him, however, that while these steps were to be taken as a precaution I was not giving authority for the plane to take off from Moncton, and that this was not to take place until I had an opportunity to consider the situation further and to consult with my colleagues with regard to it.

I would like to pause there to say that I think this discussion we are now having, as well as what I said on former occasions, should it seems to me lay at rest inferences which have been raised from time to time, and raised again in the editorial read by my hon. friend, that the Prime Minister intervened and countermanded an order of the commissioner. The decision not to send the plane was a decision of mine, and the suggestion put forward that it was made by someone else is a fabrication and utter nonsense.

Mr. Pickersgill: Why did the Prime Minister say "we"?

Mr. Fulton: If my hon. friend will contain himself I will give him the answer. I said:

—this was not to take place—

That is the departure of the reinforcements.

—until I had an opportunity to consider the situation further and to consult with my colleagues with regard to it.

Does my hon. friend suggest it was a breach of constitutional propriety for me to consult with my colleagues on an issue of this importance? Does he—

Mr. Pickersgill: The minister asks me a question and I will answer it. I said the exact contrary. I said that the minister had a perfect right to consult his colleagues, and I think he has a perfect right to consult anyone else, as any minister has to consult anyone in whom he can repose confidence. But what I said was that it was the minister's decision and not the cabinet's decision, and therefore it was quite wrong for the Prime Minister to say "we".

Mr. Fulton: I think the seriousness of the hon. gentleman's criticism is showing now to be that he quarrels with the Prime Minister's use of an adjective—

Mr. Pickersgill: Pronoun.

Mr. Fulton: Pronoun—in a matter which had been before the cabinet on which the Minister of Justice had sought the collective opinion of his colleagues, as he was entitled to do, and as in a matter of this importance he was bound to do. I sought the opportunity of discussing it with my colleagues and then came to a decision which I went on to point out later was clearly my decision. There is no question of that. Then because the Prime Minister said that "we" have concluded, after a discussion of that nature in cabinet, my hon. friend is trying to make something of the use of the word "we". Mr. Chairman, what a farce! What an indication of the weight of the case that the hon. gentleman tries to make because there is the use of a word which reflects the fact that there was mutual consultation. My hon. friend says the Prime Minister has subverted the constitution. What a farce, Mr. Chairman, and I cannot characterize it in any other way.

In the statement to which I am referring I went on to say:

These consultations were held on Wednesday afternoon, and it was decided that a state of readiness should be maintained but that reinforcements should not be dispatched at that time.

I want to skip from here for a moment to the—

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

Mr. Fulton: Yes.

Mr. Pickersgill: Would the minister say, if that decision was reached on that day, why parliament was not told the following day when I asked the question?

Mr. Fulton: You were told.

Mr. Pickersgill: I was told the matter was still under consideration, and it went on in that way for five days.

Mr. Fulton: A statement was made on March 16, and I have just read it.

These consultations were held on Wednesday afternoon, and it was decided that a state of readiness should be maintained but that reinforcements should not be dispatched at that time.

There is no inconsistency between that and what the house was told on March 12. In a later passage of the statement to which I am referring, of March 16, in discussing the decision not to send reinforcements I said:

Afer weighing all these factors, and discussing them with my colleagues, I have come to the conclusion that the arguments against sending more men at this time outweigh the arguments in favour—

It is perfectly clear from that that the decision was mine and that I accepted responsibility for it. At another point in the statement which the hon. gentleman has already read I said that it was clear that before the government of Canada is required to dispatch reinforcements as requested the Attorney General of Canada must form the opinion that having regard to other responsibilities and duties of the force it is possible to send

reinforcements. I said it is also clear that the ultimate responsibility for the decision rests on the Attorney General of Canada. Mr. Chairman, I do not think that anything could make it clearer than that, and it could not be clearer except to those who refuse to understand that the decision was that of the Minister of Justice arrived at after consultation with his colleagues.

As to this five-day mirage which the hon. gentleman is attempting to raise, he will recall, and certainly the committee will recall, and I recall it very vividly, exactly what took place, which I think completely disposes of any suggestion of dithering or uncertainty on the part of the government. In my statement of March 16 I stated that the decision not to send reinforcements at that time was reached on the Wednesday afternoon and was immediately communicated to the then commissioner by me. At page 1960 of *Hansard* I went on to say:

> The commissioner thereupon informed me that he could not agree with the decision—

There was no thought in the then commissioner's mind that there was any uncertainty in the mind of the government, because he informed me that he could not agree with the decision.

> —in view of his understanding of the effect of the contract, and that he would have to resign.

My hon. friend will appreciate, I think, Mr. Chairman, that this was an extremely serious and unwelcome piece of news, and I would have thought that if there was any suggestion of dithering or uncertainty on the part of myself—and the hon. member for Bonavista-Twillingate used some rather interesting adjectives with regard to myself—

Mr. Pickersgill: I only used the minister's own.

Mr. Fulton: Entirely. He used adjectives which I had applied under quite different circumstances. What I am saying, Mr. Chairman, is that it is clear that there was no dithering, no uncertainty, no refusal to take responsibility for the situation, but quite the opposite; that in circumstances of great difficulty and faced with the resignation of a commissioner for whom I had a great personal admiration, as well as up to that time official confidence, I was able to maintain the decision and did in fact maintain the decision notwithstanding that it was fraught with these very serious consequences which I think I need not elaborate. That decision of the commissioner was communicated to me immediately. There was no five-day wait. The only reason the decision to resign was not announced in the house until March 16 was because it was my hope that on the basis of further discussion, as I indicated clearly in the statement I made at the time, and suggestions to the commissioner that he might reconsider the position and would withdraw his resignation. However, he finally indicated to me that he was unprepared to do so, and as soon as it became obvious that his decision was final the situation was announced to the House of Commons without further delay. This, I think, completely disposes of the fabrication or mirage which the hon. gentleman has tried to raise that there was a five-day period during which the government could not make up its mind.

Indeed, Mr. Chairman, I think that really disposes of any substance there may have been in the criticisms advanced by the hon. gentleman. The hon. gentleman might have conducted himself differently, I do not know. He might have felt that faced with a matter as grave and unfortunate as the resignation of a commissioner he should accept it at once and not make any effort to have the commissioner reconsider it. I do not believe that is the proper way to act. I felt it was proper to make every effort to see if on proper grounds the decision might be reconsidered. I felt it was in the interests of the country as well as the officer whose services we are discussing that those efforts should be made. If that is to be taken as an accusation of indecision or improper conduct, I cannot change my hon. friend's mind, but that is the reason why there was a period of five days between the government's decision made then and the time of its announcement to the house.

So far as the accusation of interference with provincial sovereignty is concerned, it is, I think, too far-fetched to require a reply in detail. I will dispose of this merely by further reference to the fact that with respect to the R.C.M. Police who were there under contract there was not the slightest effort to interfere with the orders given to them or the manner in which they discharged their responsibility. It was not until a request was made involving a decision and a responsibility by this government that we accepted that responsibility and made that decision and it is to me inconceivable that it should be suggested by any hon. member, particularly by an hon. member who has had past experience of government administration, that the exercise by this government of the responsibility it was bound to take with respect to whether it should take action at this level—

Mr. Pickersgill: A point of order. I was scrupulous to refrain from discussing this question of the contractual obligation, and I think the minister should do the same.

Mr. Fulton: I am not dealing with the question of contractual obligation. I am dealing with the accusation made by the hon. member that in refusing to send reinforcements, and giving our reasons for not doing so, we were infringing provincial sovereignty, and it is, as I say, inconceivable to me that any hon. gentleman who has had previous experience in government should suggest that a government, in taking a decision it is bound to take in the exercise of its responsibility, is guilty of invading the sovereignty of another government. Yet that is the charge which the hon. gentleman has made.

We gave our reasons on an earlier occasion for the refusal to send reinforcements. I do not think that any argument which the hon. gentleman has advanced here today contains anything which would cause a reasonable person to change the view to which we then came. It is, however, a fact that in discussing the basic reasons why we reached that decision both the hon. gentleman and I must have regard to the fact that this involves an issue which is now before the court—an issue, I would point out, which was placed before the court by the premier of Newfoundland and not by us—the question of whether our interpretation of the contract was right or not. Since I cannot discuss further the reasons why I came to our decision without discussing the contract, I do not think I should go any further at this time.

Mr. Pickersgill: There are one or two comments I should like to make on what the minister said. The hon. gentleman stated—and I asked him then if he would permit a question, but he declined—that the fact was that there were no further disorders after March 10. That statement is incorrect. On the day that the body of this unfortunate policeman was taken to the train there was, as the minister knows, a very unfortunate incident in which the lives of certain people were, in fact, in danger and in which certain property was destroyed or at least seriously damaged. So that statement of the minister's is not correct and it is only by good fortune which, I am sure, the minister would not claim to have had the prescience to have foreseen, that that incident was not very much more serious than it was. Not only that, it is a fact that, because of the minister's refusal to send these reinforcements, the city of St. John's was practically denuded of its police. I suggest that if this had happened in Ontario and if the government of Ontario, because of the action of the minister, had had to denude the city of Toronto of police in order to deal with a situation in northern Ontario a different view of this matter would be taken by some of the hon. members from Toronto. That sufficiently disposes of the minister's point that reinforcements were not needed.

The minister said that this was not the first request for reinforcements, but that it was a renewal of a request. I have never heard of this before. It is something entirely new, and I think perhaps that later on the minister might document that—

Mr. Fulton: I can do that right now. I thought the hon. gentleman would have read the material on this matter, but I find he has not. I placed the full facts on record in *Hansard* on March 16—

Mr. Pickersgill: Perhaps, since I have the floor, the minister would be good enough to let me go on. There is no evidence on the record that I have been able to discover, but the minister, in his own time, can correct me if he wishes. There is no evidence that I can discover of any previous request having been made by the attorney general of Newfoundland for actual reinforcements in addition to any that might have been sent. If the minister can show me that I am wrong, I shall be glad to admit that I am mistaken after I have completed what I want to say now.

But the minister said this matter was all decided on March 11. When I asked him on March 12—but I will read the question:

> Mr. Pickersgill: May I ask a supplementary question. In view of the language of section 13 which says that Canada shall, at the request of the attorney general of the province addressed to the commissioner increase the strength of the division as requested if, in the opinion of the attorney general of Canada, having regard to other responsibilities and duties of the force such increase is possible, would the minister say whether it is because the members of the force were not available that this request was not complied with.

To which the minister replied:

> The matter is still under consideration, and I am not able to answer the hon. gentleman's question at this time.

Now the minister tells us it was decided the day before. But it seems that parliament was not entitled to be told. We were told that this matter was still under consideration. We were told nothing until Monday, although parliament sat the following day and questions were raised, and if this is not obvious evidence of dithering I do not understand the meaning of the word, and I ask if it was not in the minister's own phrase, fiddling about with the matter; mincing up to it and then backing away from it. That is what happened, and that is the impression the public had. The minister says the reason for this dithering was that he was trying to persuade the commissioner to withdraw his

resignation. The minister did not need to have had this resignation. If the minister had done his plain duty there would have been no resignation for the commissioner.

Now the minister said something about the decision of the government. There was no decision for the government to make in this matter. There was a decision for the Attorney General of Canada.

Mr. Fulton: Which he made.

Mr. Pickersgill: But the minister said just now, if he will look at his *Hansard*—he referred to a decision of the government.

Mr. Fulton: I do not think so.

Mr. Pickersgill: The record will show it. I hope he leaves it there so that it does show it.

Mr. Fulton: I have made it perfectly clear that the decision was mine.

Mr. Pickersgill: The minister will find, when he reads the record, that he frequently referred to a decision of the government.

Mr. Fulton: I have said, and I repeat, that the decision was mine and that I accept the responsibility for it and have never, in spite of the urgings of the hon. gentleman, tried to avoid that responsibility. With regard to this suggestion that there has never been a request for reinforcements earlier than the Badger incident, the hon. gentleman has shown that he is so blinded by the heat of his own passion as not to have appreciated what the record shows, because this has been on the record since March 16, that there were two occasions when I received a request for reinforcements. If the hon. gentleman can contain his passion and read the record accurately as it appears at page 1959, he will see that I said on March 16—it is too bad the hon. gentleman has not attempted to establish all the facts, because this apparently comes as news to him. I said the following:

> The facts leading up to this resignation can be summarized as follows. On Sunday, March 8, I received a wire from the attorney general of Newfoundland asking for 50 additional Royal Canadian Mounted Police reinforcements and citing the terms of the contract.
>
> As a result of these consultations, however, it was agreed that the situation might be kept under control by the sending of some 25 members of the Newfoundland constabulary from the city of St. John's into the strike area. This was done, and a further 20 Royal Canadian Mounted Police from other points in the divisional area were also brought into the strike area and, on this basis, it was reported that control of the situation might be maintained. However, arrangements were made by the commissioner, with my approval, to alert the Royal Canadian Mounted Police in the other maritime provinces so that if the situation should require it and authority should be forthcoming, reinforcements could be sent in from the outside with a minimum of delay. This information was accordingly conveyed by the commissioner to Superintendent Parsons and by him to the attorney general of Newfoundland.
>
> Following the clash—

Mr. Pickersgill: The minister does not need to read any more.

Mr. Fulton: I continue:

> —that took place on the highway outside the town of Badger on Tuesday evening, March 10, the situation apparently deteriorated further and Superintendent Parsons advised the commissioner that in view of the movement of 100 further strikers into the area he felt that the call for reinforcements should be renewed.

I received further communication accordingly requesting me to authorize the sending of 50 further R.C.M. Police. I put that on the record, Mr. Chairman, to make it clear that this was not the first occasion on which we had been asked to send reinforcements, and that our earlier consultations had also had the effect of making it clear to the province of Newfoundland that we were, to say the least, most reluctant to authorize the sending of reinforcements to this area, notwithstanding the fact we realized that the men there must be left free to carry out their responsibilities under the contract.

Mr. Pickersgill: Mr. Chairman, this is the most extraordinary casuistry that I have ever listened to in my life. This was all the same request.

Mr. Fulton: No.

Mr. Pickersgill: It was so palpably the same request, and what is more the attorney general was obviously satisfied with the interim arrangements that were made. It seems to me that all it does is to reinforce and reinforce very strongly my argument in the matter. In the first place the government of Newfoundland, right up until the minister's statement on March 11 of this year, had every reason to believe that if an emergency arose these men would be available, and the fact that it went back to as early as the minister has pointed out in the record, and that the men were assembled. What were they assembled for? Were they assembled for the purpose of being sent once disorders were all over and there was complete peace there? Or were they assembled to be sent in case a greater emergency arose? It seems to me that if ever anyone made his case weaker the minister has done it by his own intervention.

Mr. Carter: Mr. Chairman, as my colleague from Bonavista-Twillingate has pointed out, in the course of discharging their duties in connection with the unfortunate labour troubles in Newfoundland last March, serious accusations were made against the R.C.M. Police which called into question their integrity. It is regrettable that to date no

positive action has been taken to clear their good name. On the contrary, the action of the minister himself in his failure to send reinforcements when requested, the words he used as he voiced the appraisal of the situation in Newfoundland, and the action of this government in refusing to set up a complete inquiry into this matter have tended rather to lend credence to these matters.

When the premier of Newfoundland asked for an inquiry he cited the protection of the good name of the R.C.M.P. as one of his reasons. For the benefit of hon. members I should like to place that telegram on record. It is dated March 13, 1959, and addressed to the Right Honourable John Diefenbaker, Prime Minister of Canada. I quote:

> In the interests of the peace, order and good government of Canada and to protect the good name of the R.C.M.P. the government of Newfoundland invites the government of Canada to set up at once a public inquiry under a superior court judge from outside Newfoundland to investigate the acts of lawlessness and violence which have taken place in central Newfoundland since the strike of the loggers began on December 31, for the purpose of ascertaining the facts and assessing the responsibility. The government of Newfoundland would extend every facility and assistance to such a commission in its inquiry.
>
> J. R. Smallwood

Hon. members will recall that in this very house questions were asked and statements were made which implied that the R.C.M.P. in Newfoundland were being used for other than their normal duties. In addition, articles appeared in newspapers all across Canada which carried the same implications. On March 16 the minister himself made a long statement in the house in which he reported the regrettable resignation of Commissioner Nicholson and in the course of that statement he used the following words in appraising the situation. I am quoting now from page 1961 of *Hansard*. This is what the minister said:

> As I appreciate the situation, therefore, the request made by the government of Newfoundland for Royal Canadian Mounted Police reinforcements takes on the character not of a request to assist in the normal function and duty of the province in maintaining law and order, but of a request for additional help made necessary in the course of the furtherance of a project to extinguish a union from the province.

The minister was not speaking off the cuff when he spoke those words; he was reading a carefully prepared statement and we must assume that he had given weight to every word that he was uttering. The question must arise in anyone's mind that if the request was not a request to assist in the normal function and duties of the province in maintaining law and order, what else could it be?

Mr. Fulton: Just what I said it was.

Mr. Pickersgill: You said it was not.

Mr. Fulton: It was just what I said it was in the words that have been read.

Mr. Carter: All right.

Mr. Pickersgill: March 11 or March 16.

Mr. Fulton: March 16 was the only occasion on which we discussed the request from Newfoundland. If my friend will read the record he will see that.

Mr. Carter: If the minister wants to stand by the explanation in the last part of the statement in which he said:

> A request for additional help made necessary in the course of the furtherance of a project to extinguish a union from the province.

The minister is a lawyer, and when he spoke those words, surely he must have known what he was talking about. He must have seen the legislation, which was the only way in which the union to which he referred could be extinguished. If the minister did see the legislation he must know as a lawyer that its purpose was not to extinguish the union. In fact, it could not extinguish the union. All the legislation did was to free the company from being compelled to bargain with one union only. The effect of the previous certification was that the A.N.D. Company could bargain with the I.W.A. and nobody else, and all that the legislation did was to decertify the I.W.A. so that the company was free to bargain with any other union it wished. The legislation did not extinguish the union and the proof of that is that the I.W.A. is still in Newfoundland, still carrying on its functions, still maintaining its members and still giving out reports from time to time.

So the purpose could not have been to extinguish the union, and if it was not to extinguish the union what else could it be? Surely these words must raise a further question as to what the R.C.M.P. were doing in Newfoundland at that time. If the reinforcements were going to engage in something which was outside of the maintenance of law and order, surely the implication was that that was being done by the forces already on duty there. In another part of the statement on page 1960 of *Hansard* the minister went on to say:

> Following the clash that took place on the highway outside the town of Badger on Tuesday evening, March 10, the situation apparently deteriorated further and Superintendent Parsons advised the commissioner that in view of the movement of 100 further strikers into the area, he felt that the call for reinforcements should be renewed.

The minister's refusal to send these reinforcements certainly must have indicated a lack of confidence in the judgment of the officer commanding the Newfoundland detachment who was on the spot and knew exactly what

the situation was. That too is a further reflection on the R.C.M.P. But to come back to the earlier statement of the minister that it was not a request to assist in the normal function and duty of the province in maintaining order, that in itself must mean that the minister considers that the necessity to maintain law and order should not be the controlling factor in his decision but the cause of the situation, the character of the request, and therefore he set himself up as the judge of the situation and came to the conclusion that whatever was happening in Newfoundland was the fault of the provincial government in trying to extinguish a union and, that being the case, it did not matter whether or not law and order were in need of being upheld. There was no obligation to uphold law and order or to protect life and property if the situation was caused by something which did not meet with the approval of the Minister of Justice.

On March 19 my colleague, the hon. member for Bonavista-Twillingate, asked the minister a question, and I quote now from page 2050 of *Hansard*:

Mr. Speaker, I should like to direct a question to the Minister of Justice. I should like to ask the minister whether in view of his professed concern for the integrity of the Royal Canadian Mounted Police it is his intention to take action against those persons who have made defamatory and libellous statements about the conduct of the police in Newfoundland.

The minister replied:

Mr. Speaker, I shall always of course be concerned about anyone who has made defamatory and libellous statements against the Royal Canadian Mounted Police, but the hon. gentleman has not identified the statements to which he refers and I doubt if it would be proper for him to do so on the orders of the day.

The hon. member for Bonavista-Twillingate then said:

I should be pleased to furnish the hon. gentleman with the press reports, Mr. Speaker.

Following that exchange in the house my colleague addressed a letter to the Minister of Justice dated March 24, 1959, as follows:

Dear Mr. Fulton:

You will recall that on Thursday last (March 19) I asked you in the House of Commons whether in view of your professed concern for the integrity of the Royal Canadian Mounted Police it was your intention to take action against those persons who had made defamatory and libellous statements about the conduct of the police in Newfoundland and that you replied "I shall always of course be concerned about anyone who has made defamatory and libellous statements against the Royal Canadian Mounted Police, but the hon. gentleman has not identified the statements to which he refers and I doubt if it would be proper for him to do so on the orders of the day."

I then indicated that I would furnish you with press reports containing the kind of allegations which I had in mind. Out of the many reports which have appeared in various newspapers, I cite only two, both from the Toronto *Star*.

The Toronto *Star* of March 11, 1959, contained an item which reads as follows:

"Clash Provoked by Police I.W.A. Head Says
Special to the *Star*

Grand Falls, Nfld., March 11—

H. Landon Ladd, president of the striking I.W.A. loggers, has called for a full inquiry by a federally appointed royal commission into yesterday's clash between striking loggers and the R.C.M.P. at Badger.

Calling the incident 'the worst demonstration of police brutality in Canadian history,' he said he based this opinion on interviews he had with dozens of people at the scene, including many who were impartial.

'They all tell exactly the same story,' he said. 'The police went at perfectly peaceful strikers with their clubs swinging.'

The incident was 'a disgraceful affair,' he said, but it clarified a statement made during the week end by attorney general Curtis.

At that time, when all was peaceful on the picket lines at Badger and elsewhere, from out of the blue came a statement from the attorney general passionately pleading with the pickets not to become involved in disorder and violence.

This came at a time when there was no disorder or violence.

This was followed yesterday by the arrival of a trainload of the Newfoundland constabulary, together with large reinforcements of R.C.M.P. These forces were imported into a peaceful central Newfoundland.

He said police in groups of four patrolled 'the peaceful town' of Badger throughout the day.

'They displayed their clubs in an obviously provocative manner in a demonstration of police power,' he went on.

What followed, later in the day, must be laid squarely with the R.C.M.P. and the Newfoundland constabulary, or those under whose orders they were acting.

Eyewitness accounts are in agreement. The men had been on the road. The police ordered them off and they moved to each side. The police then marched between them in two lines, turned and bore down on the men with their clubs swinging in a brutal fashion.

Mr. Ladd said the true story of the incident would shock the people of Newfoundland and the rest of Canada.

'Our union demands that not a stone be left unturned to establish the facts,' he went on.

Nothing less than a royal commission conducting a full inquiry and appointed by the federal government will assure the public of the facts to which they are entitled.

It is most regrettable that a number of persons suffered injuries, but the burden of this must rest with those who provoked the horrible display."

The Toronto *Star* of March 12, 1959, contained an item which reads as follows:

"Charges R.C.M.P. Cloak for Firm to Rush Scabs

Leaders of the two striking Newfoundland logger locals claimed today that R.C.M.P. constables were 'trying to incite a riot' when they charged a group of strikers in Badger Tuesday.

George Stoodley, Grand Falls, and Lawrence Ball, Deer Lake, Nfld., arrived in Toronto to start a countrywide tour to gain support for the striking I.W.A. international woodworkers of America.

Mr. Stoodley charged that the R.C.M.P. action was a cloak for Anglo-Newfoundland Development's failure to get loggers into bush camps."

It would appear to me that these statements are completely at variance with the detailed

account you gave of the same incident in the House of Commons on March 11, and with the Prime Minister's statement on March 16 that the government felt that the R.C.M.P. "has performed its duty with fairness and efficiency"; and that to ignore them would not be compatible with the "essential responsibility" to maintain the "full integrity" of the force.

Yours sincerely,

J. W. Pickersgill.

The minister's reply to this letter is dated March 25, 1959 and reads as follows:

Dear Mr. Pickersgill,

I acknowledge with thanks receipt of your letter of March 24 in which you reproduce two reports appearing in the Toronto *Star* concerning the conduct of the R.C.M. Police in Newfoundland, and refer to our exchange in the house in this connection on March 19.

I have already, as you yourself point out, dealt with the incident which the *Star* purports to describe. My report to the house on March 11 set out the true facts then in my possesion. In concluding that statement, I pointed out that: " . . . it is apparent that the . . . police . . . have done a thoroughly creditable job . . . under most trying and difficult circumstances."

You yourself also referred to the Prime Minister's statement on March 16 in which he said that the R.C.M. Police "has performed its duty with fairness and efficiency".

These official statements, outlining the facts and the government's position, one made at the same time as and the other within five days of, the newspaper reports in question had appeared, seem to me to be both a complete defence of the conduct of the police and a refutation of the allegations contained in the newspaper reports.

It is also my view that the allegations have been dealt with the proper forum, namely by government statement to parliament in the House of Commons, and I cannot therefore accept your suggestion that we are ignoring our responsibility to maintain the full integrity of the force.

Yours sincerely,

E. D. Fulton

The minister's reply can be summed up, Mr. Chairman, as saying the Prime Minister and I have both said these statements are not true and, therefore, they are not true. But where is the evidence to support this statement? In view of the fact that not only the premier of Newfoundland but also the Canadian Labour Congress called for an investigation, and in view of the minister's own words, which I repeated earlier, that the character of the duties of the reinforcements would be other than to maintain law and order—

Mr. Fulton: I said that was the character of the request.

Mr. Carter: Well, if the character of the request was such that they were going to do something besides their normal duties of maintaining law and order, then of course the minister himself lends support to the charges made in these newspapers. In my opinion, Mr. Chairman, some more positive action should be taken in this matter to establish and uphold the good name of the R.C.M. Police and I hope the minister, when he replies, will tell us what steps he proposes to take.

Mr. Peters: I should like to endorse what appears to be a suggestion made by the last speaker when he requested that this matter of the conduct of the R.C.M.P. be investigated by a commission. I feel it is only fair that the minister who is responsible for this department should instigate this type of inquiry. There have been two versions of this story, and the two versions have not been anywhere near the same. I certainly endorse the wish of the previous speaker that this investigation take place.

I should like also to congratulate the minister upon the action taken by the government in regard to this particular situation. I should like to congratulate him upon the fact that the government was unwilling to again put the Royal Canadian Mounted Police in the position in which they were in 1919 when they engaged in some of the most brutal and nefarious police work that has been done in Canada, and probably in North America. Then again, during the depression, on numerous occasions the Royal Canadian Mounted Police abused citizens in this country in the course of what was called the protection of property. I have pictures here that indicate that not all members of the Royal Canadian Mounted Police have become "Canada's finest", such as we see standing out in front of the House of Commons.

Over the years this police force has established a remarkable reputation for criminal investigation and for humanity in the work that they have done. I see again not that type of policeman, not the type of policeman that I know as a member of the Royal Canadian Mounted Police, but strikebreakers, people who are used by organizations for this so-called protection of property, the protection of a way of life. It appears to me that this was the situation in Newfoundland. I should like to read a small article that appeared in the Toronto *Star*, written by Ray Timson, staff correspondent, on March 11, 1959, and which is entitled "Eyewitness". There is a subheading "It Was Dark Hour for Canada's Finest", and then the article goes on:

Marching three abreast and carrying nightsticks, a column of 66 policemen waded into a throng of striking loggers last night, clubbed two of them unconscious, flattened dozens more while wives and children screamed for them to stop.

I watched the attack on mainly defenceless men for about an hour.

Alfred Forward, 26, was clubbed over the head and beaten about the arms and chest and left unconscious between two parked cars. He was picked up by other loggers and carried to a house and revived.

At another point a logger standing in a backyard bordering the road watched the police escorting handcuffed, dazed loggers away. He shouted: "You sure have guts, haven't you?"

An officer pointed to him and yelled: "Get that man, get him now." The logger turned and fled and about 25 mounties and policemen cleared the yard fence like jackrabbits and chased him down toward a row of houses. He was beaten to the ground and arrested. One mountie bounded into Mrs. Frances Piercy and knocked her down.

"He never even looked back to see if I was all right", she said.

Her husband is Ernest Piercy, a picket and employee of the Anglo-Newfoundland Development Company for 30 years.

The 66 police in the column came swinging down the road and marched past the massed strikers. It appeared the marchpast was to decide the strength of the assembly.

The incident occurred in the neighbourhood of 6 p.m.

Mr. Lambert: Is the hon. member accepting these statements as facts?

Mr. Peters: Yes, I am accepting these statements as facts because I have been in picket lines on many occasions. I know about the actions of the police in this type of affair. I have seen them in the past and I have received many of the results of some of these actions. I am quite willing to accept it. On the other hand, nobody has denied it.

Mr. Fulton: I do not like to interrupt the hon. gentleman on a question of privilege, but my whole statement in this house on March 11 was a denial of the *Star's* newspaper story and the general impression it sought to create.

Mr. Peters: I do not accept that as evidence because of the fact that the minister is accepting what certain people say. I will go on to see who are these people he has that are representing him and what they may represent. I have here a particular picture with three mounted police or three Newfoundland police in it and one man lying on the ground and the others all standing around like a bunch of wolves in anticipation. It may not be brutality but it looks like an unfair fight. I do not think the poor guy on the ground is going to get the best of it. Another picture show's Canada's Royal Canadian Mounted Police marching along swinging clubs that appear to me to be about two and a half feet long. This does not appear to be the type of thing that produces peace on a picket line. It is brought to my attention that the Royal Canadian Mounted Police have only riding crops. I have on the order paper a question that has been there for months, asking the minister for the specifications of these night sticks. I understand they are made out of steel tubing. They weigh something like two and a half pounds, according to my information. If the minister says this is not right, let him produce one. I should like to see one and I should like him to answer the question that I have on the order paper if he thinks this is not correct. It appears to me that this is what these clubs are.

I think there are other things that we should consider in the province of Newfoundland. It is my information that when this province decided to join the rest of Canada they brought along part of their police force. I understand that this police force comprised what they called the Newfoundland rangers and that this group was headed up by a man who is now a member of the mounted police and who is an inspector of that police force in this particular area. It is also my information that this man was trained in India in the days of the colonial empire; that he was trained in the handling of men under colonial conditions in India; that he came to Newfoundland to head up this particular police force and ran it in a manner that we would not consider to be in keeping with the traditions of the R.C.M.P., from what I know it to be in Ontario. A number of these gentlemen who were brought into the R.C.M.P. I understand were given little or no training in the methods of operation of the R.C.M.P. Those are the people who are giving direction to some of the young people who are enlisting in the Royal Canadian Mounted Police and are going in to serve and do duty in that province. Mr. Chairman, I shall be greatly surprised if some of these young R.C.M.P. have not resigned because of the brutality that has been practised in the strikes that have taken place in that province.

It has been said by the Minister of Justice that these police are by contract under the authority of the attorney general of Newfoundland. I ask you, Mr. Chairman whether it is fair and reasonable to put them under a man who the Parliamentary Guide points out is the Hon. Leslie Roy Curtis. This man is not a disinterested party in seeing that justice is obtained in this particular case. As everyone knows, there are two big companies in the labour dispute in Newfoundland. One of them is Bowaters; the other is Anglo-American Pulp and Paper Company.

Mr. Pickersgill: Mr. Chairman, I rise on question of privilege. This matter has been raised previously in the house. Mr. Curtis, as attorney general formerly served on the board of Bowaters because the province had an interest in the company. He no longer serves on the board and has not been on the board since they paid off their obligations and he has no connection whatsoever

with the company. That has been stated before. I have no doubt that the hon. gentleman is saying what he is saying in good faith, but it does not happen to be true.

Mr. Regier: I rise on a point of order, Mr. Chairman. I am sure that you will agree that the hon. member who has the floor is listing the record of the attorney general for the province of Newfoundland who is in charge of the law enforcement officers in Newfoundland, according to the words of our own minister in this house. The hon. member has the right to place on the record whatever he deems appropriate to place there, regardless of any added information which the hon. member for Bonavista-Twillingate may have.

Mr. Pickersgill: May I ask the hon. member whether that is the current number?

Mr. Peters: It is the one I obtained from the table. I did not know that the attorney general had resigned from this position. I did not know that the province of Newfoundland owned part of this particular company.

Mr. Pickersgill: They had a loan.

Mr. Peters: They may own both of them for all I know. But even if this is true, I still maintain that he has some ulterior interest or has had and that he cannot be an impartial judge of whether the interests of law enforcement, as far as the mounted police are concerned, is best served in this particular way.

The minister may know whether this Inspector Argent is fully trained and is considered to be competent by the standards or requirements that are necessary now under the training that is given to the R.C.M.P. I understand that his training certainly does not do anything for promoting harmony in the tense situation that prevailed in the province of Newfoundland. If he was trained as most of the R.C.M.P., that I know of have been trained, he does not show it. They are very diplomatic. They do not make the mistakes that this gentleman has been credited with making. I refer only to the situation that happened when a large number of people or strikers were jailed and when their wives were trying to take them food. This particular inspector would not allow them to take in the food. It was only at the insistence of the president of district 2 of the union that this food was allowed to come in and a riot was prevented. The women were going to riot. I do not think the R.C.M.P. in that province, including those people who were brought in from the rangers, would have been ready to put up a defence, if you call it that, against the women who were trying to supply their husbands with food which they understood was badly needed.

I therefore think that some of the responsibility rests on the minister to have an investigation into this situation. I am in complete agreement with the minister that he has the right to make these decisions without the commissioner resigning or the commissioner having the right to say, "Either you do it this way or I will resign". I think the minister took the only position that could be taken in that case. I think that was another matter altogether. But I think an obligation is owed to the name of the R.C.M.P. to clear up some of these statements; and the clearing up of them is not going to come from having the superintendent in that province tell the minister what the situation is or from having the inspector tell the superintendent so the superintendent can tell the minister what the situation is. An investigation is necessary.

Some correction must be made in the arrangements that we make with the province so that we do not get into this kind of a fuss where our national police force is being used to break strikes and to act as strike-breakers and to act as rowdies to promote violence itself. The fact that there has been very little violence since the police were not assured that they were going to get reinforcements in order to put on a show; and because they did not get those reinforcements there has been very little trouble because, I would suggest, the mounted police are not so cocky. There are not 66 of them marching along clubbing everything they see in the way, knocking down women and doing the other things that are alleged in this particular statement. The only way in which that I and, I think the rest of Canada, can be sure that this is not done is for an investigation to take place.

Mr. Chairman, I think if this were only an isolated case, if I could say it is confined only to the province of Newfoundland then I am not to pleased with the way justice operates in that particular province. I disagree with the former speaker who said that in his opinion the law is that the union was only decertified, not that it could not operate there any more; that the company involved would now be able to deal with a number of unions. The certification did not say that. The certification said that the number of people in the bargaining unit for that company had decided by vote that they were going to be given that jurisdiction, and they were given that jurisdiction. It does not mean that four or five unions—

Mr. Pickersgill: Mr. Chairman, on a point of order, the hon. member is now embarking

on something which has nothing whatever to do with the minister's estimates. I was very careful to refrain, as I indicated at the beginning, as other members have also refrained up until now, from dealing with anything but the police. I will not object to the hon. member continuing along this line; that is for the minister to decide. But if the committee wants a debate on the laws of Newfoundland there will be a debate on the laws of Newfoundland, and I hope those who wish to controvert other hon. gentlemen will be given the same privilege as hon. gentlemen are given who indulge in this totally irrelevant debate which has nothing whatever to do with the business of this house or the business of this parliament. It has solely to do with provincial jurisdiction in a province where the people have a vote and where they can settle these things.

The Chairman: Order. I must tell the committee that I was not listening too carefully to the remarks of the hon. member, and I can therefore hardly base a judgment on the point of order. However, I must tell the hon. member that he must in the present debate, and all other debates for that matter, be strictly relevant to the item under discussion. At present we are discussing the administration of the police services of the Royal Canadian Mounted Police. All members who try to stray away from the limitations of the present debate will be out of order and will be so adjudged by the Chair.

Mr. Peters: Mr. Chairman, the only reason I referred to this was because it was commented upon by the previous speaker. I thought what he said was wrong and I thought I should have the opportunity of saying why. If that is not your wish I will abide by your ruling.

This situation, as far as the police in the province of Newfoundland is concerned, might have been considered to be an isolated case. I have a high respect for the R.C.M.P. for the simple reason that I come from the province of Ontario where the R.C.M.P. only do jobs which are of a national nature. They do not get involved in traffic violations, strikes and things of that nature. However, I consider the conduct of the R.C.M.P. to be an insult to a national police body in this country in the action they took in Newfoundland. As I say, this might have been an isolated case except it happened in the province of Ontario very shortly afterwards.

I would like to read a small section of an article, because I am concerned with this brutality. I have always known that police who were poorly trained, poorly instructed and poorly paid probably tended to be the type of people who believed in pretty strong arm methods and did not use their heads too much. But the R.C.M. Police have been well trained and have established a record which gives them a great deal of intelligence and initiative and authority, which they have abused. In the province of Ontario, as in Newfoundland, this reputation does not appear to be recognized any longer. Senator James Gladstone went to the Six Nations reserve shortly after trouble occurred on that reservation, and he wrote an article under his name which was reproduced in the *Native Voice*, the official organ of the Native Brotherhood of British Columbia, which was also published in the Toronto *Star*. He describes what he found when he visited the Six Nations reserve at Brantford and speaks of meeting some of the people. He says:

> The group grew. Friends arrived—Harry Burning and his wife, and Lawrence Nanticoke, his forehead still taped, his fingers bruised from last Friday's early morning fracas with the R.C.M.P. Mrs. Hill's daughter, 18-year-old Alice, had a black eye from the same source. Her two sisters showed me deep scratches on their arms.

Then he goes on to tell of some of the problems involved in that discussion which I am sure are irrelevant here at this particular time. He goes on to say:

> At that meeting the federal government had an opportunity to reconcile the two factions' differences. The R.C.M.P.'s visit would have been unnecessary.
>
> How much provocation the Indians gave the R.C.M.P. I cannot say. But I saw the scars received from the police by four women and two men. They were beaten.
>
> Lawrence Nanticoke told me that he was knocked to the floor nine times. After the raid, I was told, the houses of three Indians were invaded by R.C.M.P. officers who had no warrant for such an invasion.
>
> It will take a long time—longer than it takes black eyes and wrenched fingers to mend—for the Indians' bitterness toward the R.C.M.P. to subside.
>
> Their hostility toward the elected council and the R.C.M.P. is now focused on the federal government.

Then the rest of the article refers mainly to Indian affairs.

Mr. Chairman, I have also seen pictures published in the papers in connection with this fracas on the Six Nations Indian reserve. They showed police in uniform with a grim and vicious look on their faces, three or four of them holding one person and beating that person, according to the interpretation of the photograph. This appears to me to warrant an investigation. Something is wrong. It may have been wrong for a long time and the reputation of the R.C.M.P. may have carried them. If this type of brutality is going to be the rule of the day of the R.C.M.P., then we will be back to the days when they were beating people on the streets in the city of Winnipeg and the days when they beat hobos who were trying to find a place to lay down

their heads in the days of the depression. This is not what the Canadian mounted police deserve. I think the situation demands an investigation by the minister with regard to the brutality which appears to be taking place. Our national police force should take no part in beating women, beating men who are down, taking their places in picket lines, taking their places as strikebreakers, escorting people through picket lines. These are not the duties of this force, and I am sure it would be to the advantage of all Canadians that this matter be cleared up and the good name of the R.C.M.P. restored to them.

Mr. Pearson: Mr. Chairman, if I do not follow the last speaker in his allegations of brutality against the R.C.M.P., I hope this will not be interpreted as an indication that I agree in any way with what he has just said. The police, of course, cannot defend themselves in a discussion of this kind but no doubt the minister, who is their spokesman in this house will deal with the criticisms of brutality which have been made.

I wish to say a few words about the matter we were discussing previously, the contract with the attorney general of Newfoundland and the way in which that contract was carried out in connection with the events of last January, February and March. Perhaps I might not have found it necessary to intervene in this discussion had it not been for some of the statements which were made by the minister, with some of which I propose to deal. Before doing so I should like to put on record the views of the minister in regard to the role and the duty of the R.C.M.P. in carrying out their obligations under a contract with a province; the views of the minister at least before the Prime Minister decided not to send the reinforcements to Newfoundland which were requested in March.

Mr. Fulton: Mr. Chairman, I realize, of course, that I cannot dictate what the hon. gentleman is going to say, but I am sure he is too good a parliamentarian to continue to state that which is demonstrably in error. I have stated that the responsibility for the decision was mine and I have never sought to avoid it, and I can only leave it to the hon. gentleman to decide for himself if he is going to continue to say something which is not correct.

Mr. Pearson: The minister says the responsibility is his, and that he took that decision on his own responsibility. I made the statement I did with regard to this matter because of the statement made to the House of Commons by the Prime Minister on March 16 as reported on page 1959 of *Hansard* when, speaking before the Minister of Justice intervened in the debate and speaking first for the government, the right hon. gentleman said this:

> Under the circumstances we have concluded that it would be provocative and likely to cause further outbreaks of violence to authorize the sending of further members of the R.C.M.P. at this time.

Mr. Fulton: Does that mean the Prime Minister made the decision personally?

Mr. Pearson: It means that the Prime Minister, speaking first, announced the decision in the terms that he used, from which we are entitled to assume that he took primary responsibility for the announcement of this decision and therefore primary responsibility as the leader of the government for making the decision. Otherwise, why would not the Minister of Justice have been permitted to get up in the house and announce, before the Prime Minister spoke, that he had taken a decision, and the terms in which he took it?

Mr. Fulton: Did you ever try to take the floor ahead of your prime minister?

Mr. Pearson: Whenever I had any statutory obligation to make a decision I was always permitted by the prime minister of that day—in fact, I was instructed by the prime minister of that day—to get up and announce the decision in the House of Commons, and the prime minister did not intervene in a matter which was my responsibility.

Mr. Fulton: But the Prime Minister had an announcement to make the same day in connection with the same dispute and I would be much surprised if the hon. gentleman, in that situation, would have insisted on taking the floor ahead of his prime minister.

Mr. Pearson: The announcement which the Prime Minister made on March 16 before the Minister of Justice spoke was the announcement I have mentioned, that a decision had been taken not to send reinforcements.

Mr. Fulton: It related also to a royal commission and several other matters.

Mr. Pearson: That was mentioned subsequently as another subject. Anyway, the Prime Minister said: "We have concluded... not to send reinforcements."

When this matter came before the house the Minister of Justice emphasized—and the emphasis is worth repeating—that the R.C.M.P. under contracts of this kind were concerned with law enforcement only, and he assured the house that they would not in any event be used to break strikes—that was the expression which was used on one occasion. At page 909, he said:

> The R.C.M.P., in matters of this kind, are acting entirely as a provincial force in accord with

the contract with the province to enforce specific provincial laws or to enforce law and order generally within the province. In their activities in this connection they come under the direction of and are responsible to the provincial attorney general from whom alone detailed reports on matters of this kind should be expected.

So I ask the minister before he came, after consultation with the government, to a decision in regard to the refusal to meet this request, and in the light of this statement which he made in the house on February 11, whether he consulted with the attorney general of Newfoundland? Did he take the initiative in getting into touch with the attorney general of Newfoundland and did he obtain from him the kind of detailed report with regard to this request for reinforcements which he said in his statement in the house on February 11 should come from, and could only come from, the attorney general of the province? That is one of the questions I have to ask, and perhaps the minister would reply to it later. Further, during those days when he was deciding what he should do, and when he was consulting with the government, what was the nature, if any, of his consultations with the attorney general of Newfoundland with regard to the request made by the commissioner of police for reinforcements, a request which was certainly supported and most strongly supported by the attorney general of Newfoundland. And then, on the same day, February 11, again on page 909 of *Hansard*, the minister was asked a question by a member of the C.C.F. party. This questions reads as follows:

Would the minister say whether the R.C.M.P. acting under this type of contract are permitted to do things which the R.C.M.P. would not normally be permitted to do?

To which the minister replied:

The answer, of course, is no; and there is no evidence to support the suggestion implicit in the question asked by the hon. member.

And yet in this statement in the House of Commons on March 16 which was issued as a press release on that day he said that the request made for police reinforcements—and I am quoting—takes on the character of "a request for additional help made necessary in the course of the furtherance of a project to extinguish a union from the province".

If this means anything at all it means that when the Attorney General of Canada is deciding whether he is to carry out the obligation of a contract made with the province for the supply of police to maintain law and order a criterion on which the decision is to be based is the policy of the provincial government. In other words, if the policy of the provincial government is such that it has labour or other implications which do not please the federal government or which do not please the Minister of Justice—if he is worried in some way about the policy of the provincial government—that will decide, or that can decide, whether he will discharge the obligation inherent in the contract, however the contract may be interpreted. As my hon. friend from Bonavista-Twillingate pointed out, that surely, has a bearing on the responsibility of the provincial government for the maintenance of law and order. It is the responsibility of the provincial government to maintain law and order and to administer the law of the province. The contract has been made with the federal government for supplying police to help in the discharge of that obligation. The terms of that contract seem to be clear.

But the minister's position has been that if the request for additional help is made necessary because of certain policies adopted by the provincial government we then reserve the right not to send the reinforcements. As my hon. friend from Bonavista-Twillingate pointed out, however, there was no mention of a situation of that kind bearing on such a refusal when the minister spoke on March 11. Now he gives quite a contrary impression.

There is one other question I should like to raise. The minister said this afternoon—and I copied his words down; I hope they are accurate, I think they are; I am sure the paraphrase will be accurate—that he asked the commissioner of the R.C.M.P. in connection with this request for additional reinforcements whether these reinforcements were necessary for the safety or the security of the police. I believe he said the commissioner replied that that was not the consideration at issue; that he was asking for those reinforcements for the maintenance of law and order in the discharge of their duty in Newfoundland as a police force. This is, it seems to me, an astounding position for the minister to take; that if the commissioner—surely this is a humiliating position in which to put the commissioner—had said, "Yes, we need those reinforcements for the safety and security of the police"; if he had said that, would the minister have sent the reinforcements. That is the only possible inference one can draw from the minister's statement this afternoon. If the commissioner had said, "Yes, we need extra police for the security and safety of the R.C.M.P." he would have got them. What a position in which to put the commissioner of the R.C.M.P. In any event, as we know, the commissioner was unable to accept the attitude, the policy and the decision of the government and he found it necessary to resign, a resignation which is regretted, I am sure, by every member of this house.

I would like to put on the record a relevant paragraph or two from the commissioner's letter which appeared in the minister's speech and in the minister's press release. The commissioner himself, who was surely in a position to judge from the information he had received as to the necessity and the wisdom of the request which he was making for the reinforcements, said:

> There is no doubt in my mind as to the need and I am certain that the number of men asked for can be provided without projudice to "other responsibilities and duties".
>
> I realize that other issues are before you which arise from this strike but I feel most strongly that the matter of law enforcement should be isolated and dealt with on its own merits. This is the attitude the force has taken throughout. It has not concerned itself with the issues back of the strike but has merely tried to maintain law and order in the area.

This was the position taken by the commissioner which the minister was unable to accept and as a consequence the commissioner found it necessary to resign. In this statement to the house the minister also had this to say:

> We must also consider the over-all responsibilities of the force, and our responsibility for the force, in a much wider context.
>
> The primary duty of the force is to maintain law and order wherever the force operates throughout Canada. It is therefore an essential responsibility of the force to maintain its full integrity and its ability to discharge that duty on a national basis.

Mr. Chairman, I cannot for one minute believe that the commissioner would have made the request for reinforcements if he thought for one minute that that request, if made, would have prejudiced the full integrity of the force or its ability to discharge its duty on a national basis. In his statement the minister went on to say:

> In my view I cannot overlook, in assessing the responsibilities of the force, the necessity to ensure that it is not cast in a role which in effect might disable it from discharging its responsibilities.

Mr. Fulton: Mr. Chairman, I am afraid I will have to raise here the same point I raised earlier with respect to the hon. member for Bonavista-Twillingate, namely that the attorney general of Newfoundland, by referring to the Supreme Court of Canada the question of whose interpretation of these contracts is correct, has placed it beyond discussion in the House of Commons at the present time under the sub judice rule. In what the hon. member is now reading he is discussing the reasons I gave at the time for my decision. As I say, there are differences of opinion as to whether that decision is right or wrong. But if the Leader of the Opposition is to discuss my reasons I would have to defend them and we would get right into the question of who is right in his interpretation of the contract. I suggest therefore that this part of the discussion by the Leader of the Opposition is out of order.

Mr. Pearson: Mr. Chairman, I will not continue to discuss this matter, although it does not seem to me to have a bearing on the contract at all. I was staying away from the interpretation of the contract. I will just say this; I do not believe for one moment that the commissioner of the R.C.M.P. would have made a request for reinforcements in respect of this situation if it would have interfered in any way, shape or form with the responsibility of the R.C.M.P. in the discharge of its duties as a police force in Newfoundland or in any other part of Canada. Perhaps we can let the matter stand there.

Then the minister went on to say:

> In the current situation, however, the activities of the Newfoundland government take on the character of an intervention in a dispute actually in progress, on the side of one of the parties and against the union which up to that time had been chosen as the bargaining agent by the workers and certified as such under the terms of the appropriate provincial legislation. This is an abnormal role for a government,—

Mr. Chairman, I am not entering into the question of whether this is an abnormal role for a government or not; I am not entering into the question of the dispute which brought about all this trouble. This is not what we are discussing; but the minister uses this question, he uses this mistaken—as he thinks it was—policy of the Newfoundland government, a political matter, as an argument for not meeting the request for police reinforcements. In other words, the minister as the Attorney General of Canada, is the judge of Newfoundland's policy in this matter in so far as it relates to the discharge of its obligations in a contract with the government of Newfoundland and, so far as I know, in coming to this conclusion which was based on an assessment of provincial policy. Also in coming to this conclusion, so far as I know, he had no discussion, no consultations of any kind with the Newfoundland provincial government or with the attorney general of Newfoundland. If I am wrong in this conclusion he will no doubt correct me. But I will ask him again; before he made up his mind, before he used this argument of provincial policy, did he discuss this policy with the attorney general of Newfoundland who had the primary responsibility for the administration of justice in Newfoundland? It seems to me that the conclusion to be drawn from the minister's attitude in this matter is that in regard to an obligation of this kind we, the federal government, the Attorney General of Canada, will discharge our obligations in the matter in the light of

our assessment of the policy followed by the provincial government. If that is not an interference with provincial rights I do not know what could be.

Perhaps in conclusion I can put on the record a statement made over the air on March 22 by Mr. Michael Barkway, a commentator. He had this to say about the decision of the commissioner of the R.C.M.P. and perhaps these words should be put on *Hansard*. I, of course, take full responsibility for them.

He said:

> A rare gleam of glory illuminated Canadian affairs at the beginning of this week. The commissioner of the Royal Canadian Mounted Police resigned because, as he said, he could "neither understand nor agree with" the government's refusal to send reinforcements to his hard-pressed men in Newfoundland, when the contract between Ottawa and the Newfoundland government seemed to him to leave no choice.

He went on to say:

> It doesn't really matter whether you think commissioner Nicholson was right or wrong.

Incidentally, I happen to think he was right in this matter.

> We are loaded to the gunwales with people who are so determined to be right that they will resort to almost any kind of expediency to avoid being proved wrong. We are desperately short of men who are ready to suffer for what they believe to be right and to take the risk of being proved wrong later.
>
> I happen to think commissioner Nicholson was right—right not to be willing to let down his men on the spot; right to believe that the federal contract with Newfoundland meant what it said; right to suggest that you can't refuse reinforcement to one province without destroying confidence in all the other provinces; right, surely, when he wrote to Mr. Fulton that, whatever other strike issues the minister had to consider, "the matter of law enforcement must be dealt with on its own merits."
>
> Law enforcement, as Mr. Nicholson said, is the only concern of the police. He has always insisted that it's not for the police to interpret the law or to choose between good and bad laws. He was as simple and modest about the functions of the police as he was about himself.
>
> So I find it a little laughable when justice minister Fulton undertakes to maintain the "full integrity" of the police by deciding on his own authority and with no stated evidence that reinforcements were not needed to maintain law and order but to act as strike-breakers.

It is our contention, Mr. Chairman, and I am making no reference to the contract at all, that the minister acted wrongly in regard to this matter; that the minister acted wrongly in not consulting with the government of Newfoundland, the attorney general of Newfoundland, before he made the decision; that the minister acted wrongly in not telling the house at once when the decision was made, and that if this kind of attitude is taken toward an arrangement between one province and the federal government it is an unwarranted interference in provincial rights and it strikes right at the basis of our federal system.

Mr. Fulton: Mr. Chairman, there have been some comments made by two or three speakers since I last had anything to say to which I think I should reply. What the Leader of the Opposition has just said reduces this situation in a sense, I think, to its proper perspective. We had here a difference of opinion between the commissioner in charge of the Royal Canadian Mounted Police under a minister and the minister who had over-all responsibility for the force. That is true. It was an unfortunate situation. The commissioner felt himself unable to accept the view of the minister as to the proper interpretation of the contract and since he was absolutely unable to accept it he felt called upon to resign. That, incidentally, was a decision which, as I indicated to the commissioner at the time, I felt was wrong. I felt there was no necessity for him to resign but it was a decision which I respected and that is still the case.

The fact of the matter is that the responsibility for the decision is mine as Attorney General of Canada, and I have to accept that responsibility and I have accepted it. I recognize that there are differences of opinion with respect to whether or not I was right in the decision I have made but I was called upon to make a decision, I made it, and I have no apologies for having made it. I believe it was right. I thought it was right at the time and I still think it was right because, Mr. Chairman, what is my responsibility? I am the minister responsible for the force. I should like to refer the committee to a section of the statute under which the force operates. We are in the course of putting through a new bill now but the effect of the provision will be exactly the same. I refer the committee to section 4 of the Royal Canadian Mounted Police Act which reads as follows:

> Such member of the Queen's privy council for Canada as the governor in council from time to time directs, has the control and management of the force—

These words are pretty far-reaching.

> —and of all matters connected therewith.

As the minister designated by the Queen's privy council for Canada I cannot escape responsibility for the control and management of the force and, as I stated to the house on March 16 in giving my reasons for my decision, it was my view, which I still hold, that in deciding upon whether or not I should follow any course with respect to the Royal Canadian Mounted Police I had to keep in mind the question of whether or

not this would affect the full integrity and ability of the force to function as a law enforcement body everywhere it may be called upon to operate in Canada.

Having taken into consideration the factors then present in the unfortunate circumstances in which the call for reinforcements was made, I came to the conclusion that to accept that call for reinforcements would prejudice the integrity of and regard for the police as a law enforcement body and would prejudice their ability to discharge their obligations everywhere in Canada, and that it would therefore not be proper for me to accept the call and follow the course of sending reinforcements. I took that decision in view of my concept of my over-all responsibility for the force. As I have said, there may be differences of opinion about this matter but I have no apologies to make for it to Michael Barkway, the Leader of the Opposition or anybody else. Indeed, I think if I had sought to avoid that responsibility on the grounds that I might be prejudiced or that there might be an embarrassing discussion in the house or, indeed, even on the ground that the commissioner might resign, then I should have been worthy of any contempt that anyone might care to put upon me.

So, as I have said, I think that the Leader of the Opposition in what he said has reduced the matter to its real perspective. Here was a case where the commissioner had one view about what should be done and the minister in charge had another. The Leader of the Opposition referred to my words in the statement on March 16 where I said:

> It is therefore an essential responsibility of the force to retain its full integrity and its ability to discharge that duty on a national basis.

That is the duty of law enforcement. The Leader of the Opposition said that he was sure that the commissioner would not have made the request to send reinforcements if he had felt that it would interfere with the full integrity of the force. Of course he would not. I am as certain as the Leader of the Opposition is that he would not have made that request if he had thought it would interfere with the full ability of the force to discharge its responsibilities everywhere. I formed the judgment that I did and that was a judgment I had to form. I cannot do anything but repeat that that was my judgment, that was my decision, and under the circumstances I felt that I was therefore bound to refuse the request.

As to the reasons why I came to that conclusion, they have already been placed on *Hansard* as found on page 1961. I have already drawn a distinction which to me is obvious and I am sorry if Mr. Barkway cannot see it. To me it is an obvious distinction between police who are in a province in a certain situation and under contract, as they were in Newfoundland—

Mr. Pickersgill: Mr. Chairman, I think I will have to raise a point of order at this time. Both my leader and I have desisted at once when the minister suggested that we were entrenching upon what is before the courts. It was precisely on this point that the minister first raised a point of order with me, and I think he is now doing the same thing.

Mr. Fulton: What I was going to read has already been read into the record by my hon. friend or the Leader of the Opposition, but I want to read it into the record in the context of what I have to say. Perhaps my hon. friend would listen to the passages and if he protests again I will be glad to consider the objection. What I was saying was that I have already drawn a distinction between the obligation of the men who are there in Newfoundland to carry out the orders of the attorney general on the one hand and the situation when a province under these circumstances requests reinforcements. I said on March 16, and part of this has been put on *Hansard* before, most recently by the Leader of the Opposition:

> In the current situation the activities of the government of Newfoundland appear to have gone beyond the usual role of a government. That role in this context is first to provide the machinery for promotion of industrial peace and development and for the settlement of industrial disputes, and second to preserve and enforce law and order in the course of any dispute that may arise.
>
> In the current situation, however, the activities of the Newfoundland government take on the character of an intervention in a dispute actually in progress, on the side of one of the parties and against the union which up to that time had been chosen as the bargaining agent by the workers and certified as such under the terms of the appropriate provincial legislation.
>
> This is an abnormal role for a government, and certainly has the elements of an attempt to extinguish from the province a trade union national in character and hitherto chosen by the workers in that industry, in that province, as their bargaining agent.
>
> As I appreciate the situation, therefore, the request made by the government of Newfoundland for the Royal Canadian Mounted Police reinforcements takes on the character—

The request takes on the character, not the conduct of the men already there in the province, but the request for reinforcements takes on the character—

> —not of a request to assist in the normal function and duty of the province in maintaining law and order, but of a request for additional help made necessary in the course of the furtherance of a project to extinguish a union from the province.

For these reasons, as I said, because in my view it is my duty to look at the overall responsibility of the force and for maintaining its full integrity and its ability to discharge its duties on a national basis, which depends in a large part upon its acceptability for that role, I felt that to accept the request would prejudice that national role and it would not be proper for me, as minister, to do so.

Mr. Pickersgill: That happens to be the precise passage, at least part of it, to which the minister took exception to me reading, but under the circumstances perhaps the minister would not mind me asking him this one simple question about it. Does the minister feel that if a situation arose in any province where, in his opinion, the reputation of the force may be affected, and if there is an arrangement with that province, he has an obligation to leave there the men that are there but not to send additional men in order to enable them to carry out their police functions efficiently; is that what he is saying?

Mr. Fulton: I regret to say that I am unable to answer hypothetical questions. This is a hypothetical question. The passage my hon. friend started to read is not the one I have read. I have refrained from reading it on purpose. It is the passage in which I went further into the details as to how this clause should be interpreted, and I am not in a position to discuss that because the government of Newfoundland has placed the matter before the Supreme Court of Canada.

Now, Mr. Chairman, I think I should say one or two words with regard to the allegations made by the hon. member—

Mr. Pearson: Before the minister gets on to that, would he deal with the two questions which I asked him and which I do not think are hypothetical. He has just said the basis of his decision was the fact the government of Newfoundland had gone beyond the usual role of government. I asked him if that was his view of the role of the government of Newfoundland in this matter, had he taken up this question with the government of Newfoundland through the attorney general and discussed it with him before he discussed it with his colleagues or, indeed, after he discussed it with his colleagues and before he made his decision? This was one of the questions: Had there been consultation with the attorney general of Newfoundland over the role of the government of Newfoundland before this decision was made?

The other question was with regard to the implication that if the commissioner of the R.C.M.P. had said the reinforcements were required for the safety of the police, the reinforcements would have been sent. The commissioner said he could not make any such statement as that, and he was not going to accept that they were required for the safety of the police. He stated that this consideration did not enter into it and, therefore, because that consideration did not enter into it the reinforcements were never sent. Would the minister deal with those two matters?

Mr. Fulton: With regard to the first matter, there was some consultation with the attorney general of Newfoundland on an earlier occasion concerning the role that the government was adopting in the labour dispute.

Mr. Pickersgill: Could the minister say when that consultation was?

Mr. Fulton: I cannot tell my hon. friend. It was a telephone conversation which would probably be within a week of the Badger incident. I think it was made pretty clear on both sides, although it was a personal conversation and I do not want to go into details, that there were the gravest reservations as to the course being followed by the other. I do not say it was related specifically to police reinforcements, but it was related to the situation generally.

Then the other question was with relation to whether the reinforcements were necessary to protect the lives and safety of the men already there. I did not say, and I do not believe I left the impression but if I did leave the impression I want to clear it up right away, that this matter was discussed as being the sole determining factor. But I, in assessing the request for reinforcements, wanted to be certain as to what the position was with respect to every factor that might be relevant in making a decision. It was only in that sense that the question was asked. I have only mentioned the question because it was referred to specifically in editorials read by my hon. friend from Bonavista-Twillingate. I have hitherto ignored the inference raised that, by reason of refusing the reinforcements, I was placing the lives and safety of the police already there in jeopardy. It was only for the purpose of clearing up any doubts on that score that I made reference to the discussion with the commissioner.

Mr. Pickersgill: If the minister would permit me I should like to ask him a question to clear up this business about consultation with the attorney general of Newfoundland. He told me on March 12 he had had a conversation with the attorney general of Newfoundland the evening before. I should like to ask

the minister if that conversation—I refer to *Hansard* of March 12, page 1864, which reads as follows:

> Could I ask the minister if he has received any communication from the attorney general of the province?
>
> Mr. Fulton: Yes, Mr. Speaker, I have, and I was in communication with him last night.

This was the crucial date, March 11, and could the minister tell us whether he initiated the conversation with the attorney general of Newfoundland, whether he gave him any intimation before he reached his decision not to permit the reinforcements to go or whether the conversation was initiated by the attorney general of Newfoundland after the decision?

Mr. Fulton: Yes; there were two conversations. The one I referred to a moment ago was an earlier conversation not related specifically to sending R.C.M.P. reinforcements because my recollection is that the request had not yet been made at the time of that conversation. The second conversation referred to in the answer given on March 12, and just read by the hon. member for Bonavista-Twillingate, was a conversation initiated by the attorney general of Newfoundland with regard to the request for reinforcements.

Mr. Pickersgill: In other words, the minister thinks there had been no previous discussion about sending reinforcements; that is what the minister is stating?

Mr. Fulton: No, that is not quite what I said. It is not quite accurate. I referred also to my statement in which a telegram of March 8 asking for reinforcements was received, and resolved at that time by making other arrangements.

Mr. Pickersgill: I am talking about conversations; my understanding is there was no conversation about the police until the conversation to which the minister referred on March 12?

Mr. Fulton: No conversation about the police; I think that would be correct. They may have been referred to in passing in the conversation a week earlier, but that conversation certainly did not deal specifically with the request for reinforcements.

Mr. Pickersgill: In other words, this decision of this government to deprive the government of a province, the duly constituted and democratically elected government of a province with what they considered necessary for the maintenance of law and order, that decision was taken without any intimation being given by the minister, without any consultation with the government; it was a completely unilateral decision?

Mr. Fulton: As I pointed out and as the answers make clear on March 11, reinforcements would not be dispatched at that time. It was after that news became available that the attorney general of Newfoundland called me and told me he could not understand why they could not be sent at once. I explained to him the considerations we had in mind, briefly, and the matter was left there. The decision not to send them was announced on March 16 in the course of discussion in the house.

I was going to deal for a moment with the statement made by the hon. member for Timiskaming with regard to the activities of the Royal Canadian Mounted Police in Newfoundland and the suggestion that there should be some kind of commission of inquiry to look into this matter. I have indicated to those who have inquired of me about this matter previously that if at any time, as a result of my inquiries and studies of the matter, I came to the conclusion that there was something requiring an outside investigation, I would immediately order one. But so far I have not yet, as a result of those studies, had any occasion to think that there is any substance in fact to the sort of newspaper report that appeared in the press and from which my hon. friend read. That being my position, I do not think it would be in the least appropriate for me—in fact, I think it would be absolutely inappropriate—to order a commission or any other form of formal inquiry into the allegations which appear to be so baseless as those to which my hon. friend has referred.

I indicated in the house on March 11 and I believe in one or two other statements that I had made full inquiries as to the part of the Royal Canadian Mounted Police on the occasion of every incident that was referred to and that, as I said in that full statement on March 11, where tempers are running high and the feeling is tense, as it always unfortunately is in a situation of that kind where large scale industrial disputes are involved, then the very nature of the responsibility of the police, which is to enforce those provisions of the Criminal Code which say that picketing shall be peaceful and that roads shall not be obstructed, this responsibility unfortunately is bound to bring the police on occasion into conflict with those engaged in the industrial dispute whose tempers, as I say, are running high. But that is a responsibility which the police cannot and should not seek to evade.

Unfortunately on occasion, because tempers are running high, violence breaks out. If violence is used, then force must be used to resist violence. Then what do we find? We

find that the police are accused of brutality. This to my mind is a complete distortion of what the situation is.

Although on reflection I think my hon. friend will realize that he made some fairly extreme statements, I am quite sure that he would not on reflection for a moment really suggest that merely because the feelings are intense the police should leave the scene. That would be a complete denial of their duty. If they are to carry out their duty, then unfortunately it does on occasion bring them in conflict with those who are carried away by the violence of their own feelings, understandable though it may be. In this case I can understand the reason for the intense feeling. But that does not alter the fact that the police still must discharge their duty, unpleasant and uncomfortable though it may be.

With respect to the Brantford situation, here again we have somewhat the same picture. There was extremely bad or bitter feelings between the hereditary Indians or those Indians who believe in the hereditary system and those who believe in the system of the elected council, and their supporters. In the course of this dispute the supporters of the hereditary chiefs took over the council house which contained a safe, valuable documents and other articles which were regarded as being of particular and peculiar value to the tribe concerned and to the organization concerned. This was done I believe three or four days before formal steps were taken to clear the building. In other words, you had a forcible taking of possession of property contrary to the law and you had demands made upon the elected chiefs to go in and open the safe and give up custody of these documents and threats that if these demands were not met, the safe would be carried off bodily, or in other words a theft would be committed. Thus you had, as I say, a violation of the law represented by the forcible taking of possession. But because we were dealing with Indians, because feelings were so intense, and it was desired not to aggravate them, with my concurrence the police were instructed not to take immediate action which ordinarily they should have taken, by force if necessary, to restore the property to its rightful owners. In other words, the police adapted their conduct and their operations to accommodate the view that by a show of restraint and patience it might be possible to bring the two sides together. This was continued for some days until, as I am informed, the indications became quite clear that further attempts would be made to take the law into their own hands by some of these people to an extent which simply could not be ignored. So it was decided that the necessary steps had to be taken—after some days again—to bring to an end this defiance of the law represented by the forcible taking and retaining of possession of the council house; and the police were instructed to go in.

There were some 140 indians physically present in the building determined to resist attempts of the police to have them vacate it. The police did not go in there determined to push them out forcibly or to push them around. They went in there issuing a lawful order to these people to vacate the building. They made it clear that if the building was not vacated, then, if necessary, such force as was necessary to be used would have to be used. Their order was defied. They did not make a sudden rush and go in with clubs swinging, knocking people on the head. My information is that they spent some time in asking them to leave peaceably. When they did not leave peaceably, then some of them at any rate joined arms and proceeded to move down the hall shouldering the Indians ahead of them. It is perfectly true—and it cannot be denied—that violence broke out. In other words, the police in the discharge of their duty were resisted by force and it is a fact that when lawful authority is resisted by force, then lawful authority is obliged to use such force as may be necessary to overcome that force.

But surely we should be realistic human beings and not lose our sense of proportion and suggest that because the police are resisted in the performance of their duty they have to go away and leave the lawbreakers in possession of the premises. Unfortunately a certain amount of force was necessary in order to carry out this eviction. But I have absolutely no evidence—in fact, all the evidence I have is to the contrary—that unnecessary force was used. Of course the police had expressions of discomfort on their faces. Does my hon. friend really imagine that they like having to eject people by force, particularly when some of those people happen to be women? Does my hon. friend not also realize that there are some people who recognize the fact that you can make more fuss out of it if you have a woman present than if you have not a woman present? I just ask that we keep a sense of proportion and recognize the fact that the job of law enforcement is not always a pleasant and glamorous one, that occasionally it has its unglamorous and unpleasant side but that really society is much better protected because there are honest and conscientious policemen who are prepared to discharge these unpleasant and unglamorous tasks as well

as to take whatever credit and whatever pleasure they may occasionally get out of the glamour of it.

That is the tradition and the record of this force. That is why people respect it so highly, because it does not shirk unpleasant duties. The people of Canada know that they can rely on the Royal Canadian Mounted Police to carry out the unpleasant with the pleasant, not expecting any reward, not expecting any flattery or congratulations. However, I think they are entitled to ask that the people of Canada, particularly the members of this house, maintain a sense of proportion as to how a constable should go about discharging his duties.

Mr. Peters: The minister spoke about a sense of proportion. At six o'clock in the evening, the supper hour, 66 policemen marched into a number of strikers standing along the road where no workers would be going to work, where no strike breakers would be trying to pass through the picket line, either going or coming. It was at the supper hour, at least an hour after the shift would be over. Would he consider it to be all right for 66 policemen to march through that group of men or would he consider it to be provocation?

I would suggest to the minister it hinges pretty well on whether he is being honest with the members from Newfoundland who have a different opinion from mine. If he says he does not think it is provocation, then what he should have sent to Newfoundland is 3,000 or 4,000 more policemen to intimidate the strikers. If he does, 66 are too many to be enforcing law when there is no question of any violence, except perhaps violence against themselves. You cannot have it both ways. Either you believe that 66 policemen would be too many and would be provoking and looking for trouble rather than preventing it, or if it is not, maybe we should have a lot more policemen down there to intimidate the I.W.A. off the island.

Mr. Fulton: Mr. Chairman, I assume my hon. friend is speaking of the Badger incident; I think he is from what he said. If he is, the information he has and my information are poles apart, because my information, which has been checked, is that it was not a case of 66 policemen moving in in the absence of provocation to a peaceful group who were isolated from any scenes of disorder. What actually took place was that on two previous occasions shortly before in that very area there had been blocking of roads and damage to property, to a vehicle which attempted to pass that way. Then tempers had been consistently mounting, and as a climax a large group of persons gathered at a road intersection, a Y, a busy road and the very road upon which it was expected there would be further movements of vehicles that night. So that the background sketched by my hon. friend is very far removed from the factual background. The police went in as a body, it is true, as sensible policemen would. Their first attempt, I am informed, and I accept it absolutely because this is the proper method to pursue, was to persuade the men to disperse peacefully. Unfortunately the men refused to accept that request, and later to comply with that order, and violence broke out. But the background the hon. gentleman has sketched is, I fear, very inaccurate.

Mr. Granger: Mr. Chairman, most of the trouble under discussion which occurred last winter was in my district, and I would like to participate briefly in this debate regarding the refusal of R.C.M.P. reinforcements. I think first I should say that I have no intention whatsoever of discussing the contractual relationship of the R.C.M.P. and the government of Newfoundland. That matter is in the courts, and apart from that it has no bearing on the aspect of the matter which I wish to discuss.

There has been so much distortion, distortion such as evidenced in the newspaper article read by the hon. member for Timiskaming, and so much speculation and prejudicial statements made regarding what happened in Newfoundland that I think something in the nature of a narrative of the circumstances surrounding the request for R.C.M.P. support and the refusal of it should be given. Also I think I should say that regardless of what criticisms may have been made, everything which I know and have heard points to the fact that the R.C.M.P. was a completely impartial and courageous body. Certainly it was known that there was serious trouble in Newfoundland, that there was rioting, that men partly clothed had been thrown out of woods camp during freezing weather. Many people felt they were being intimidated; there was a general feeling of uneasiness with the threat of rioting continuously in the air. Also there were many neutral people who felt that their very lives and properties were endangered even as their peace was. Therefore I think perhaps I can do no better than to let these people speak for themselves.

Recently in this house there were tabled communications to the Prime Minister from those who opposed the decision of the government in not sending reinforcements to the R.C.M.P. in Newfoundland, and I would like to read two of the letters and two of the telegrams, because I think they tell the

story completely from the standpoint of those who were actually in the area and affected by the circumstances at the time. The first letter is from Mr. George Hicks of Grand Falls, who is a very fine man, a very highly respected citizen, and I might add a staunch Conservative. He writes the Prime Minister as follows:

Dear Prime Minister,

I have just returned from the funeral of the late Constable Moss, victim of an assault by one of a crowd unlawfully assembled at Badger on Tuesday night. At the time he was engaged with many other R.C.M.P. and police in attempting to disperse this mob.

The funeral was attended by about two hundred and fifty ex-service men, as this young man was a veteran of the Korean war and had been in the police force only six months. It is indeed very sad, and the whole country is deeply shocked. He leaves his mother and stepfather to mourn. His mother has been quite ill for some time, and what effect this will have on her can only be imagined.

You will recall that it was my privilege and honour to introduce you to the people of Grand Falls less than a year ago. We were all so delighted to have you here, and still more so when, shortly after, you became the Prime Minister of all Canada. There was serenity here then. Today, however, we have been caught up in what has been described a civil war, brother against brother, father against son.

All this strife in a community that has known only peace and happiness for more than fifty years is indeed a shock. I dare to say that no one feels this more keenly than I do myself, for I came here as a young school teacher in 1906, taught seven years, spent five of the best years of my life overseas in the first war, came back and worked for the A.N.D. Company for nearly forty years. I have lived in retirement since 1953. I saw these mills built, the town expand, the temples of religion rear their noble fronts and the halls of learning spring up. I have seen this town grow from the wilderness to its present beauty and strength. But, above all, I have seen the close relationship between management and labour.

To see this undermined is sad enough, but to see the happenings distorted in the Canadian newspapers is equally as bad. One would think that the first duty of a newspaper is to ascertain the facts. This seems to have been overlooked.

I would not attempt to say how the I.W.A. came into Newfoundland, but apparently they did get a foothold here, and through various processes reached a point where they were able to talk business with the company. This was previously done by the Newfoundland Lumbermen's Association through the woods labour board.

Negotiations began between the company and the I.W.A., but after some months came to an impasse. Then a strike was called. Since then, various incidents such as destruction of property and assaults on the men working in the camps led up to the deplorable incident already referred to.

We all feel here that the stand taken by the government, and supported by the opposition, was courageous and necessary. It was considered an emergency; they closed their ranks and took action, as any country would do in a similar situation where the public interest was in peril.

There may be some doubt in the minds of mainland Canadians that there is a rift in public opinion here over this matter, but I should like to assure you from every indication to hand that this is not the case. Politics has not entered into the question. It is, as stated, an emergency; the public safety has been threatened and the people throughout the province seem to be as one in support of the action taken by the government and the opposition after their appraisal of the situation.

As indicated—

[Mr. Granger.]

The Deputy Chairman: I am wondering how the hon. member is going to make this relevant to this particular item. I was hoping he would do so, and that is why I gave him a little leeway.

Mr. Pickersgill: If I may say a word about that, this is a return made by the Prime Minister to a motion asking for letters that protested the action of the government with respect to the R.C.M.P., and if the Prime Minister considered that this was a relevant item in making that return it is surely relevant to a discussion of the R.C.M.P.

The Deputy Chairman: We are discussing the administration of the R.C.M.P. and, as I say, I should like to know how this is related to it.

Mr. Fulton: I was also asked to make a similar return. A number of letters discussing the situation generally were of considerable length, and contained, perhaps only one paragraph about the failure to send R.C.M.P. reinforcements, but I felt bound to produce such letters. I would certainly take the position that the discussion of a letter of this sort would not be relevant to a debate on this administrative item.

The Deputy Chairman: Perhaps the hon. member will pick out the parts of the letter which are related to this item.

Mr. Granger: I should be happy to do that, but in fairness to the man who wrote this letter I did not want to read anything out of context. He goes on:

As indicated in my telegram to you, the exservice men in this area have unanimously volunteered their services to protect life and limb, should that be necessary, but this does not in any way excuse the federal government from withholding adequate police protection, as indicated by their reluctance to send forward the detachment requested by the provincial government. We all feel this to be quite wrong, and would seem to indicate that pressure has been brought to bear by sources unfriendly to this country.

And here I conclude my quotation from Mr. Hicks:

The R.C.M.P. and local police did a fine job here, and they deserve great credit for their forbearance in a most difficult situation.

That letter is signed "Yours faithfully, George Hicks". Mr. Chairman, I shall endeavour to follow your ruling in reading from this letter by Mrs. Yolande Johnston. She writes:

Newfoundland is a peaceful country and the people of Newfoundland are well known for their friendliness and exceptional hospitality . . . The situation in Grand Falls as it has been and still exists is much too complicated for a mere housewife to try to explain, but that statements made by the R.C.M.P. should ever be doubted and questioned is almost unbelievable. Nevertheless when a request was made for additional help it was refused. Never have the government of Newfoundland with its people and churches stood together as they do now, yet people from the outside know nothing of the true facts because instead of accepting the views of decent people they choose to believe a bunch of liars.

And now I should like to read a telegram sent to the Prime Minister by the Rev. Allan Old, minister of St. Andrews Presbyterian church at St. John's:

Highly commend police department here. Consider reinforcements urgently necessary to protect neutral life and property in central Newfoundland.

And, finally, the following from the president of the Pentecostal Assemblies of Newfoundland, Pastor Eugene Vaters:

I must register my sense of shock and horror and depressed feelings for the future over the hesitancy and the final refusal of the federal government to send to Newfoundland the police force as thought necessary by the Newfoundland house of assembly and requested by the attorney general. This is most disturbing as it shows to us that the upholding of law and order and good government in Newfoundland is contingent upon the vagaries of interested pressure groups and party politics converging at Ottawa. To many of us the tradition for prompt and efficient upholding of law and order and good government we have ever associated with Canada lies before us, besmirked. This is the more to be lamented in the face of forces known and declared to be evil and noxious highly organized and spreading which threaten by means legal and illegal to engulf Canada from end to end and the rest of what is left of freedom integrity and good will in the world, as well.

Mr. Chairman, I do not think I need read more. These statements are representative of the feelings of the people of Newfoundland. I should say they might be considered mild compared with the strong and definite feelings of most Newfoundlanders.

The R.C.M.P. remains today a proud and courageous body with an enviable reputation for loyalty and devotion to duty. I am sorry that the same cannot be said of the government which failed to come to their aid, and to ours, in the hour of need.

Mr. Bigg: Mr. Chairman, I shall confine myself within the limits of this debate and not enter into wide fields of discussion which are more capably handled by the Minister of Justice. But I can speak with some authority, I think, on the feelings of the rank and file of the R.C.M.P. because I had the extreme honour of serving in that body off and on for some 23 years. It is a great honour to stand here and be able to speak on their behalf because as hon. members know they must at all times be divorced from politics.

Speaking on behalf of the rank and file of the mounted police, I believe there is a problem here which no hon. member during this debate, no writer in the press and apparently nobody in Canada has taken into account, and that is: what are the duties of an ordinary member of the R.C.M.P.? Apparently when civil war is threatened we are expected to put it down. We are expected to put it down not by force but by prestige. I think this is a heavy onus, and I do not see how we can blame this government or, perhaps, any government for the vague position in which the ordinary uniformed member finds himself. Is he expected to maintain law and order under all circumstances? I just want to give the committee three simple situations and ask them, and I hope the citizens of our great country, to decide fairly and squarely what attitude they take to them.

If a uniformed member finds a sailor coming ashore drunk and attacking a woman on the street, his duty is plain—he arrests that person and brings him before the proper civil authority. However, if a mounted policeman travelling on his motorcycle along the rocky coast of, say, Cape Breton sees a submarine and foreign troops being disgorged on the shore, he does not rush with bare bosom upon the spear; he goes to the military, using his commonsense as a good member of the R.C.M.P. should. In between those two examples there is the situation which has been described in excerpts from papers and letters read to this committee, a situation of threatened civil war. If the horrors outlined in Newfoundland were such that, in fact, 1,500 irate strikers armed with clubs were ready to batter the mounted police into the ground, that is not a job for mounted policemen, singly or in large groups, and I, for one, as a member who stood and did my duty for 23 years, never envisaged myself as voluntarily undertaking such an obligation. It is true that in an emergency we do this sort of thing but it is not part of our contract with the government. It is not the sort of thing which we think our officers can order us to do. We do it as a duty to our country in an emergency, and where those emergencies can be handled by constituted authority they should be so handled.

I do not want to go any further into the interpretation of contracts. I want hon. members to think this thing over and to decide whether or not there have been emotions dragged into this thing which have no real weight or significance. I think this argument about the role of the mounted police has been used in a political sense perhaps on

both sides. But this should be clarified. When you talk about broken contracts between a province and a government, that is one thing. But how about a contract that is made with an individual. How far does my duty go? Have I the right to refuse. When you straighten out the contract between the province and the dominion, perhaps there should be something written into the Royal Canadian Mounted Police Act so that a man knows whether he is a policeman or a soldier.

I joined the mounted police in June, 1935, and before I was even in uniform I was armed, stood by and was called out to wield a club against people who were ready to march on Ottawa to present their views. I am not going into that. I was not trained; I was not a soldier. I signed a contract to serve king and country as a policeman. To people who drag in emotions and say that it is my duty at all times to maintain law and order I say that is not so. You are asking me to do something which you yourselves are not called on to do and I am entitled as an ordinary uniformed member of the force to know where my duties start and where they stop.

Mr. Hardie: You are also entitled to get out of the force if you do not like it.

Mr. Bigg: I am speaking because I have served in the force. I know what the onus is when you are called upon to use violence against your fellow citizens. In view of the difference of opinion expressed not only in the press and in the country but in this very chamber, I do not think that the duties of a policeman are very clearly understood. I merely suggest to you that we consider this. Apparently this is of great national importance, and we should settle the matter whether or not the members of the R.C.M.P. cannot have their formal duties outlined and when it comes to going beyond the call of duty I suggest that might be left to their conscience.

Mr. Howard: I should like to make a few remarks with respect to the discussions that have gone on this afternoon, and particularly with regard to parts of it. I listened with a great deal of interest to the almost impassioned remarks of the Minister of Justice with respect to the maintenance of law and order and the general respect that we must have for the law enforcement officers and for law itself. There is no doubt that that is quite true. We all agree, I am sure, that the law enforcement officers, whether they be R.C.M. Police or whether they be attached to some other part of our police forces such as municipal or provincial forces, are a necessity and do carry out extremely useful functions, generally speaking, in enforcing law and order. But some sort of general impassioned appeal such as we heard a moment ago should not be allowed to overcloud what I think are occasional errors and mistakes in so far as the enforcement of law and order is concerned and in so far as the activities of the R.C.M. Police are concerned, because this is the force we are discussing at the present time.

Unfortunately I had to attend a joint committee of the Senate and the House of Commons on Indian affairs this afternoon and did not have the opportunity to hear my friend from Timiskaming make reference to an article and a comment of Senator Gladstone with respect to the Six Nations confederacy and the problem that arose down there. I understand that my friend and colleague from Timiskaming read sections of the comments of Senator Gladstone in so far as the activities of the R.C.M. Police are concerned on that particular reserve. This is one instance where I feel a grave error was made by the R.C.M. Police in their activities. The minister did not deal in detail with the comments made by the senator, but I hope he was not trying to disagree with what Senator Gladstone had to say with respect to the activities of the R.C.M. Police. Therefore I would like the minister to go further into that and say whether he would agree or disagree with the comments of the senator with respect to the activities of the R.C.M. Police on the Six Nations reserve with particular reference to people being knocked down as he said nine times: with reference to what the senator said about the houses of three Indians being invaded by the R.C.M. Police, and that sort of thing, in order to assess the impact and the effect of the activities of the R.C.M. Police on the relationship between the Six Nations elected council and the Six Nations confederacy, and the relationship that these groups of people have with the government of Canada and how it has been aggravated and upset by the activities of the R.C.M. Police.

When we get to the question of the enforcement of law we oft times find that in the very enforcement of that law people become upset; they lose their respect for the R.C.M. Police or the law enforcement officer, not because of the enforcement of the law but because the law is a bit foolish in the first place. I have specific reference to the liquor act and the liquor regulations as they apply to native Indians. This is another case in point.

Perhaps we might call it six o'clock, Mr. Speaker.

Resolutions adopted in committee of supply this day reported, and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I presume the business for tomorrow will be as indicated by the house leader last night. First, a continuation of these estimates and then trade and commerce estimates.

Mr. Green: Yes, Mr. Speaker. There is a notice on *Votes and Proceedings* today which will provide for extension of the hours of sitting next week. That will be taken first; then the estimates of justice and then those of trade and commerce. On Monday we intend to start with item 2 on today's order paper, house in committee on the bill concerning superannuation of members of the Royal Canadian Mounted Police; then item No. 9, second reading of a bill to amend the Criminal Code; item 10, second reading of a bill to amend the Combines Investigation Act; item number 13, second reading of a bill to amend the Prisons and Reformatories Act; item number 12, second reading of a bill respecting the testing, inspection and sale of seeds; then item number 15, resolution concerning crop insurance; then item number 17, a resolution concerning farm credit; and item number 18, a resolution concerning maritime coal production assistance.

Mr. Pickersgill: Is that sequence going to be followed on Tuesday, as well?

Mr. Green: I am not quite sure whether we shall finish all of that on Monday. If we do not we shall have to go on with it on Tuesday.

Mr. Pickersgill: In that order?

Mr. Green: Probably.

Mr. Pickersgill: The minister is very cautious.

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

Questions

ANSWERS TO QUESTIONS

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

NORTHERN TRANSPORTATION CO.—TONNAGE CARRIED

Question No. 457—**Mr. Hardie:**

1. What tonnage of freight has been moved by Northern Transportation Company Limited, during each of the years 1956, 1957 and 1958, from (a) Fort Smith or Bell Rock, Northwest Territories to all points within the Northwest Territories; (b) Fort Smith, Northwest Territories to Canadian central Arctic D.E.W. line installation sites; (c) Norman Wells, Northwest Territories to Canadian Arctic D.E.W. line installations; (d) Norman Wells to all other points within the Northwest Territories?

2. Of the total tonnage moved within the Northwest Territories in 1956, 1957 and 1958, what percentage of the total tonnage was carried in each year for (a) crown corporations; (b) Canadian government departments; (c) Canadian central Arctic D.E.W. line installation points; (d) consignees other than above?

3. What gross revenue was earned by Northern Transportation Company in each of the years 1956, 1957 and 1958, from the carriage of goods within the Northwest Territories, as follows: (a) revenue from goods carried for crown corporations; (b) revenue from goods carried for Canadian government departments; (c) revenue derived from goods carried to Canadian central D.E.W. line installation points; (d) revenue from consignees other than those contained in (a), (b) or (c)?

4. Of the total tonnage carried by the Northern Transportation Company Limited within the Northwest Territories, what tonnage of goods controlled by the Northern Transportation Company was allocated to Canadian (private enterprise) carriers licensed by the Board of Transport Commissioners of Canada, competing with the Northern Transportation Company within the Northwest Territories during the years (a) 1956; (b) 1957; (c) 1958?

5. What revenue was derived from the private enterprise companies from the tonnage allocated by the Northern Transportation Company Limited for carriage within the Northwest Territories during the years (a) 1956; (b) 1957; (c) 1958?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1.

	1956	1957	1958
(a)	19,376.6	25,443.4	30,660.6
(b)	1,212.5	732.7	3,427.3
(c)	7,066.3	9,014.4	12,703.0
(d)	16,311.8	15,869.5	17,466.7

2.

	1956	1957	1958
(a)	27.2%	27.2%	22.9%
(b)	11.1%	5.2%	8.1%
(c)	17.7%	17.4%	25.9%
(d)	44.0%	50.2%	43.1%

3.

	1956	1957	1958
(a)	$502,740.27	$618,347.90	$568,386.92
(b)	187,650.65	64,704.60	148,812.93
(c)	233,837.66	269,992.69	488,727.59
(d)	437,251.04	571,589.91	642,445.09
	$1,361,479.62	$1,524,635.10	$1,848,372.53

4.

	1956	1957	1958
(a)	nil	nil	nil
(b)	nil	nil	nil
(c)	nil	nil	2,146.5 tons

5.

	1956	1957	1958
(a)	nil	nil	nil
(b)	nil	nil	nil
(c)	nil	nil	nil

Notes: 1. No freight is carried or work done for any crown corporation other than Eldorado Mining and Refining Limited.

2. The figures shown for D.E.W. line freight apply only to operations on the Mackenzie.

POST OFFICE CONSTRUCTION, MEGANTIC COUNTY, QUE.

Question No. 469—**Mr. Roberge:**

1. Have plans been made by the Department of Public Works for the construction of post offices in the county of Megantic?

2. If so, in what localities?

3. What is the population of these localities and the estimated annual revenue for such postal stations or post offices?

Answer by: **Hon. Henri Courtemanche (Secretary of State):**

1. No.

2 and 3. See answer to No. 1.

[The following items were passed in committee of supply]:

DEPARTMENT OF JUSTICE

161. Construction, improvements and equipment, $6,058,571.

Pensions and other benefits—

162. To increase by $400 a year the allowance payable to Mrs. Alice Joynson, pursuant to Chapter 11 of the Statutes of 1914, and to increase by $300 a year the allowance payable to Mrs. Jean Laird Farrell, pursuant to Chapter 76 of the Statutes of 1927; such increases to be effective from the 1st day of April, 1959, $700.

528. Construction, improvements and equipment—further amount required, $572,436.

END OF VOLUME IV